Which Way Out of Newsprint Chaos? Page 11

LARGEST CIRCULATION
OF ANY CANADIAN
FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS
DEPARTMENT ON
PAGE 20

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The Nation's Business

The Duff Report Provides No Panacea But Shows Path to Follow

One Billion Dollar Railway Mistake

Amalgamation Only if All Else Fails

The Duff Report on the Railways

THE Duff Railway Commission report does not provide a cure for the railway situation in Canada, but it does suggest the policies that will solve that problem, to the extent that it is solvable, and it provides an outline of the machinery necessary to carry out those policies.

In the long run it will probably prove to be a good thing that the Duff Commission did not attempt to present a panacea. There is obviously no panacea capable of immediate application, capable also of providing a quick cure. Only the careful policy of rigorously economical administration, of considering our present railroads as the maximum we require for one, two and possibly three decades, and of taking our losses and paying them each year as we go along will ever lighten the load.

If one sets down in black and white the reasons why our railway problem has grown to its present seriousness and gravity, one will find in the Duff Commission report the proper line of attack upon the problem.

* * *

THERE is the question of extravagant extensions of lines and equipment and of unwise capital expenditures. The recommendations provide for machinery to prevent these in the future.

There is the question of uneconomical operation and lack of administrative economy. Here again machinery is provided for greatly curtailing expenses on both railroads.

There is the question of keen and costly competition between the two railways that has gone beyond the competition required for efficient effort. Through the proposed arbitral board this can be and may be practically eliminated.

There is the question of political influences in the operation of the Canadian National Railways, that have led to many costly mistakes being made. Reducing the C. N. R. board and making it consist of three men who will indeed be trustees for the Canadian people makes it possible to take the Canadian National Railways right out of politics. In this respect the success of the move will depend greatly upon the selections made by the government of trustees.

* * *

PROBABLY the extent of the success achieved by the Canadian Pacific and Canadian National Railways in their joint effort at co-ordination and co-operation to the common end of reducing the burden can be measured in inverse ratio to the extent to which the arbitral board is called upon to function. If the proper spirit animates the executives of the two lines and if they work fearlessly and co-operatively together to cut out wasteful expenditures, they and the public will have to call upon the arbitral board to a very small extent to force agreements between them.

Questions such as amalgamation of telegraph systems, of hotels, etc., were not finally decided by the Duff Commission but the way at least has been opened for any amalgamations of this character that are considered by the executives of the two railroads to be in the public interest.

* * *

FINALLY, the chief value of this report is the emphasis that it places upon the seriousness of the problem. Undoubtedly its recommendations, unless they are misrepresented from coast to coast will prepare the public for a vaster effort at the solution of the railway problem than we have ever before had in Canada.

How much the annual savings can or will amount to is beyond conjecture, but it would be surprising if a sincere group of representatives of the two railroads found it impossible to reduce expenses by a minimum of $50,000,000 per normal year. And $50,000,000 a year in Canada is probably the difference between an average balancing of our budget and a steady march to the brink of insolvency.

The chief weakness of the recommendations lies in the complicated system of ultimate control of the C. N. R. and the measure of

(Continued on page 2, col. 3)

ASBESTOS CORP. SALES LOWER, PRICES FIRMER

Agreements Tend Toward Stability in Selling Values

TONNAGE IS DOWN

Price Improvement Little Help Unless Mining Activity is Speeded

From Our Own Correspondent

MONTREAL.—Though considerable success has attended efforts of Quebec producers to introduce some sort of stability into the Canadian asbestos market, dwindling sales of Asbestos Corp. have tended to nullify the benefits which should arise from firmer selling values. Price-cutting, which has been narrowing profits of all operators in recent years, has been stemmed; a general classification of grades has been agreed upon and from a sales angle the situation is improved, but until demand from the trade shows an improvement higher prices mean little to the Asbestos Corp.

Much attention has been directed to the big Quebec mining company following its collapse two years ago and its subsequent reorganization early this year. Investors interested in the corporation's welfare may be encouraged by the improvement in the marketing situation but those close to the situation say that it can find little reflection in the company's activities at the present time.

Sales at Low Point

Sales have dwindled to a low point; demand from the trade still continues at a level which precludes operations being carried on at anything like a satisfactory rate of capacity. Orders are what the company needs; until production can be speeded up the effects of any increase in prices must remain virtually negligible.

Fundamentally, however, the company is in an improved position. Due to the wide rehabilitation which has been effected in operating and management policies, costs today are at the lowest point in the company's history. Plants are reported to be in excellent shape; in fact everything is improved with the exception of demand for asbestos.

Seek High-grade Ore

Every effort has been made to improve operating conditions, to locate new bodies of high-grade ore and put economies into effect. Headway has been made in this direction but sales at current levels hamper the company from making any real progress from an earnings point of view.

Some idea of the betterments which have been effected in operations is seen in a glance at results obtained last year. Though working time in 1931 decreased 55 per cent from the previous year and in face of less business and lower prices, operating loss for the year was $384,000 less than the loss for the preceding period, totalling $150,341 against $534,404 in 1930.

Shipments Decline Steadily

Shipments of Asbestos Corp. last year declined about 30 per cent as compared with a drop of 32 per cent in total Canadian exports of asbestos, indicating the close relationship between figures for the industry as a whole and those of the corporation. During the current year total shipments of asbestos in Quebec have shown further declines; each month, with the exception of August, revealing a substantial drop as compared with the same month last year.

The unsatisfactory state of affairs reflects an international situation. The asbestos industry throughout the whole world has undergone radical changes and producers in Canada no longer enjoy the relatively exclusive position they did some years ago. Mines in Rhodesia and Russia, both employing cheap labor, have been developed widely; Russian offerings have played a large part in undermining the asbestos market.

House Placed in Order

Pending an improvement in demand, Asbestos Corp. has put its house in the best order it can. The sweeping reorganization of capital structure has wiped out much of former fixed charges and capital values have been heavily slashed.

Nova Scotia Cold Storage Deal Nearing Completion

From Our Own Correspondent

MONTREAL.—An announcement is expected in the next few weeks concerning the probable sale of the property of the Nova Scotia Public Cold Storage Terminals, of Halifax. It will be recalled that earlier in the year bondholders were asked to sanction the release of certain property from the operation of the trust deed and mortgage and other conditions, it being said at the time that negotiations were being conducted with certain interests and that authority to act for the bondholders was desired. At a meeting of the bondholders approval was given to the request of the interests conducting the negotiations.

Nova Scotia Cold Storage Terminals was formed in 1928 and has outstanding $1,700,000 of six per cent first mortgage 30-year bonds, in addition to junior securities. The plant comprises a public cold storage property of three units, namely, general cold storage; apple and potato pre-cooling and storage; and the rapid freezing and storage of fish. By an arrangement with the Dominion Government the latter provided for payment to the company of a cash subsidy, amounting to 30 per cent of the cost of constructing and equipping the terminals, payable in four annual installments.

No financial statement has been issued by the company to the public. but it is understood that earnings have been of limited proportions.

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Newsprint Will Come Back

Price cutting and bankruptcies are the key-notes of the once prosperous newsprint industry to-day. But out of the current chaos there is bound to come prosperity for the industry in due season. Will it come through ruthless deflation or through consolidation? In a comprehensive story of the rise and collapse of the industry The Financial Post discusses what may happen in the next few years. Page 11. Reviews of leading paper company securities, pages 12 to 17. News article on page 1.

Bankruptcy Frauds

The new Dominion superintendent of bankruptcies gives his idea on how fraud and other evils of bankruptcy can be avoided. Page 1

Soviet Planning

Thornton Purkis, gives an intelligent summary of the objectives and the workings of the Russian Five-Year Plan as a Canadian business man sees it. Page 3.

Which Way Out?

Some economists argue that the way out of the world crisis is through a rise in prices. Others declare with equal assertiveness that prices cannot, should not come back, that recovery will come from deflation of wages, taxes, debts, etc. A discussion of the opposing viewpoints. Page 6

The Duff Report

"The Nation's Business" column analyzes the Duff report on the Canadian railway situation and finds it no panacea but a sensible document providing the only formula for the solution of the problem. Page 1. Our Ottawa correspondent shows that it rings down the curtain on the rail pioneers, rings it up again on the administrators. Page 1.

Market Leaders

The series of articles on common stocks that offer promise of ranking among the stock market leaders of to-morrow continues this week with a discussion of the present position and prospects of International Nickel. Page 9.

Bankruptcy Head Has $50,000,000 Job

W. J. Reilley Thinks New Federal Statute is Good Weapon to Stem Bankruptcy Abuses in Canada

By KENNETH R. WILSON

This week there goes to Ottawa a man who is an expert in putting people out of business.

He is William J. Reilley and after eight years experience in bankruptcy work in Ontario he now becomes Canada's first superintendent of bankruptcy, a new office carrying far-reaching powers under a brand new act created at the last session of parliament.

In the eight years he has been at Osgoode Hall, Toronto, nearly 6,000 bankruptcies have passed through his hands involving total liabilities of over $125,000,000. Now he will have control of an organization which will be responsible for four times that number of failures, for in Canada 10 firms go into official bankruptcy every working day of the year with average liabilities of $300,000 a day or an aggregate total of roughly $60,000,000 a year.

A Farmer's Son

"Bill" Reilley was born near Shanly, P.O., in Edwardsburg Township, County of Grenville, Ontario, in December, 1882. His parents were farmers. If you try to find Shanly on the map you will be disappointed for it disappeared many years ago and the nearest point you can now find is Spencerville, about 10 miles north of Prescott. Till over 20 years of age he labored with his father on the farm and at age 24 determined to gain a high school education. He entered Iroquois High School in his 25th year and in his first session accomplished the work of two grades. From there he came to the University of Toronto and then like many other ambitious young Canadians he felt the urge to go West. He journeyed to Calgary and after three years of study was admitted to the Alberta Bar in 1915. He hung out a shingle at Stettler, Alberta, but practised for only four months before enlisting with the Fourth University Company.

Invalided from France he was attached to the estates branch of headquarters staff at London for two years and in 1919 he returned to Canada with the rank of captain. He gravitated to his home county and bought the law practice of one G. Howard Ferguson at the town of Kemptville, just a few miles north of his birthplace. The present Canadian High Commissioner to London was then firmly settling into the political life of Queen's Park, Toronto.

He remained at Kemptville until June, 1924, when he received the appointment at Osgoode Hall, Toronto, of assistant master of the Supreme Court of Ontario and assisted the late G. S. Holmstead, then registrar of the bankruptcy court of Ontario. Four years later on Mr. Holmstead's death in February, 1928, he became registrar, a position he has held until the present time.

Tackles Big Job

Today, on the better side of fifty he tackles a job created by the sheer weight of expert legal and business opinion in Canada, which for many years has chafed under the inadequacies and weaknesses of the old federal bankruptcy act. Naturally he is loath to make rash predictions about the success of the new act but on the other hand he has a very definite appreciation of its possibilities and limitations.

"I believe the new act is good legislation," Mr. Reilley told The Financial Post, "although it will naturally take some time to get it working smoothly." This opinion is valuable from a man who has been so closely connected with bankruptcy and it is an unbiased opinion because Mr. Reilley had very little to do with the preparation and introduction of the new law. Most of the agitation for the new act came from Quebec and the new measure is to a very large degree the work of the Canadian Bar Association which sent out something like 8,000 memoranda to various interested groups and individuals across Canada in order to get an accurate cross-section of opinion on the problem.

"Few people realize the magnitude of the bankruptcy problem in Canada and the economic loss which business suffers as a result," continued the new superintendent. "Last year for instance the admitted assets of those who went into official bankruptcy in Canada totalled roughly $30,000,000. Since, on the average, never more than 30 cents on the dollar is realized, this means a gross recovery of about $10,000,000 from which must be deducted the cost of administration or roughly another 30 per cent. The net result is that there was available to creditors about $7,000,000 out of liabilities of nearly $60,000,000 or a net loss to creditors in that year alone of over $50,000,000. In addition of course there is probably as much again lost outside of bankruptcy estates which is settled privately and written off the books of corporations month after month, year in and year out. Just think how important it would be to Canadian trade and commerce if even a fraction of this staggering loss were redeemed."

Features of New Act

There are three or four very important features of the new act which Mr. Reilley thinks should definitely curb weaknesses of the old legislation.

Foremost, of course, is the creation of a new federal bankruptcy department operating under the Minister of Finance and in charge of a superintendent. The value of this office as Mr. Reilley sees it is that it creates the superintendent as a liaison-officer between the various provincial bankruptcy courts and creditors. Under our existing bankruptcy system in Canada, each provincial registrar of bankruptcy is appointed by the chief justice of his respective province, as a provincially-paid official to operate the bankruptcy court under the federal bankruptcy statutes. His work, however, is largely judicial and in theory at least it is not within his province to investigate and assist creditors in a solution of their problems unless direct court action can be taken. Thus many abuses and difficulties have arisen which have made the path of the creditor a thorny one and there has been no one to whom he could appeal except through direct action in the courts — an appeal which in many thousands of cases was not satisfactory nor

(Continued on page 8, col. 7)

REDUCED CROP OF POTATOES IN MARITIMES

Buying Power From Crop in N. B. and P. E. I. May Drop to $2,000,000

PRICE MAY IMPROVE

Digging of Crop Now Under Way, But Many Factors Combine to Check Output

This week digging begins in the potato garden of Canada as Maritimers commence to harvest their annual crop of tubers.

Although it is too early yet to prophesy what the results will be, Maritimers are pessimistic as to the return they will receive from this important cash crop this year and early predictions made to The Financial Post by bank managers in Prince Edward Island and New Brunswick indicate that the 1932 crop will not amount to much more than 50 per cent of the 1931 outturn.

Return Only $2,000,000

Prices at present are somewhat better than the ruinously low figure of last year and indicate a return of about 35 cents a cwt. as compared with 25 cents the average price received during the entire season last year. On this basis it would seem that in the two provinces where the major portion of the Maritime potato crop is grown, the net return to farmers would not exceed $2,000,000 as compared with $2,800,000 last year and over $12,000,000 in 1929. Another year of low purchasing power is therefore indicated from the potato growing communities of the Maritimes.

Comparative returns for the two provinces in each of the past five years are as follows:

	Yield (cwt.)	Av. price per bu. $	Total value $
Prince Edward Island			
1927	4,418,000	.98	4,330,000
1928	5,708,000	.45	2,569,000
1929	3,820,000	1.59	6,074,000
1930	4,799,000	.65	3,119,000
1931	4,884,000	.25	1,221,000
New Brunswick			
1927	2,680,000	1.00	2,680,000
1928	3,280,000	.60	1,968,000
1929	4,646,000	[illegible]	6,272,000
1930	5,853,000	.65	3,804,000
1931	5,341,000	.28	[illegible]

Three reasons are given for the poor 1932 prospect. Firstly acreage sown this year was considerably reduced, the total acreage in Prince Edward Island for instance having been cut from 43,000 acres last year to 35,000 acres this year. Of this total 16,500 acres were planted for certified seed as against 25,000 acres in 1931. In New Brunswick acreage planted was 47,000 as against 59,263 acres in 1931. Certified seed acreage shows a slight increase in this province, however, at 5,181 against 5,078 acres last year. Secondly the acreage planted has suffered from insufficient fertilizer while thirdly the ravages of a blight in recent weeks is expected to further reduce the return from the crop.

Many fields in Prince Edward Island for instance were planted late in June and a large portion of this area was planted on manure alone or manure and half the usual quantity of fertilizer. Colorado beetles were very numerous and unfortunately little spray material for both bugs and blight was used. A severe outbreak of both early and late blight attacked the vines in late August and according to one correspondent most fields were completely dead early in September.

It is obviously too early as yet to make any definite statement until the crop has been dug, but The

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Lindsay Sales On Lower Basis Than Last Year

From Our Own Correspondent

MONTREAL.—Seasonal upswing in sales of C. W. Lindsay Co., retailers of musical instruments, has been slow in getting underway though some improvement is noted as compared with the slackness encountered during the summer season. Radio sales form a substantial portion of the company's total turnover and these may be expected to show strength with the advent of the winter.

To date earnings have been on a lower level than last year. Common dividends were suspended in March, 1932, and though preferred payments have been maintained it is understood they have not been earned. Results obtained in the next month or two, usually the busiest in the year, will have a bearing on what action is taken in regard to the next disbursement on the preferred.

The company's liquid position remains satisfactory. Lindsay is free from bank loans and substantial funds are invested in government bonds. At the end of the last fiscal period investments in Dominion of Canada bonds totalled $120,964; cash and call loans amounted to $150,000.

Operations of the company last year resulted in a loss of $64,382 but addition of interest and discount and the write-back of a reserve for cancellations changed the loss to a profit of $75,061. After charges there was a deficit of $7,529 which was increased to $86,552 after preferred and common dividends.

BANKS TAKE FIRMER STAND ON NEWSPRINT

Need of Co-operative Action at Present Stage Realized

PRICE SET UNTIL 1937

Hearst Contract Undergoes Revision — Operations on Very Limited Basis

From Our Own Correspondent

MONTREAL.—No further price cutting will take place in the newsprint industry over the next twelve months.

Contract between the Hearst newsprint buying organization and Consolidated Paper Corp. has been or will be adjusted.

Newsprint operations are on a lower basis now than at any time in years past the four major Canadian producers are operating below 40 per cent of capacity.

These are the highlights of developments in the newsprint industry today. Detailed analysis of these three features emphasize the seriousness of the current situation and the reason why steps have been taken over the past week to keep the manufacturers in line.

Break in Price

The drop in the price of newsprint has brought in its wake a number of problems which are worrying the operators and banks alike. The first official break in the price of newsprint came when Price Bros. and Co. announced that it would accept contracts on a basis of $47.50 a ton, New York delivery. It was general knowledge that for some time previously few of the operators were observing the official rate of $53 a ton. Concessions were made to the buyers and the net return to the Canadian manufacturers was closer to $40 than $50 a ton.

Following Price Bros.' announcement, International Paper came out and announced that in order to protect its sales position and in the interests of the shareholders and workers alike, it would accept business on a basis of $46 a ton with certain rebates and freight allowed. The new price is retroactive to June where a customer enters into a new five-year contract, extending the present contract to December 31, 1937.

Details of I. P. Price

The new price of $46 a ton applies to the territory where the price has been $53, which includes New York and Chicago. Where the company now delivers by water in cargo lots from the tidewater mills in Canada and Newfoundland from which water transportation is availale for the major portion of the year, the new price schedule provides an allowance of $1 on the above price. In other words, New York and Chicago buyers pay $45 a ton.

The prices quoted by International Paper at other representa-

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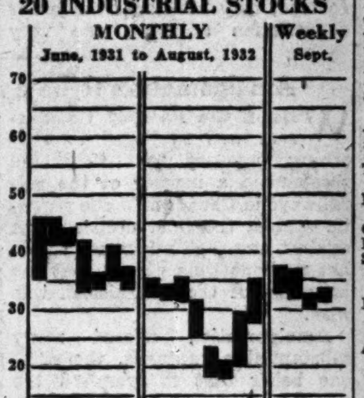
Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Sept. 27	33.9	31.2
Week of Sept. 20	33.1	30.6
Month of Sept., 1931	42.7	33.6
8 Bank Stocks		
Week of Sept. 27	181	179
Week of Sept. 20	179	177
Month of Sept., 1931	223	216
10 Public Utilities		
Week of Sept. 27	52	50
Week of Sept. 20	51	49
Month of Sept., 1931	67	57

Federal Financing Details Still Remain Undecided

From Our Own Correspondent

OTTAWA.—Before the close of the year there is to be a new Federal loan, and a good deal of forecasting has been done by the daily press as to the terms and conditions under which it will be placed before the public.

At the moment it is true that the Federal Government and the officials of the finance department have not reached any decision on these important points. The question of where the loan will be placed is still open. But it is an interesting fact that the Government is making enquiries as to the probable reception a Canadian loan would receive on the London market. More than one of the prominent bond men of the country have visited London in recent weeks and they will report back to Ottawa. It is claimed that a loan in London would be advantageous to Canada at this time—that the low price of the pound would more than be compensated for by the low interest rate in Canadian funds. Canada has floated a part of the loan at New York, the balance may be placed in this country. Requirements for unemployment relief are understood to exceed needs for refunding.

The fact is that the advantages or otherwise of all three markets are being studied carefully and in due course an announcement will issue. As to the size of the loan, conflicting reports have placed it anywhere from $50,000,000 to $200,000,000. The latter figure is said to be nearer the probable needs than the smaller sum.

Porto Rico Power Feels Storm Effects

From Our Own Correspondent

MONTREAL. — Preliminary reports from Porto Rico, recently swept by a hurricane of greater intensity than that experienced in 1928, do not indicate serious damage to the property of Porto Rico Power Co., chief subsidiary of International Power Co. Early cables estimate some damage to transmission lines and about 50 per cent of distribution system down in San Juan. No mention as yet has been made of any damage to generating plants.

The last serious hurricane in Porto Rico did considerable damage to the utility's property. Despite the fact that much of the system was temporarily incapacitated the company staged a quick come-back. A write-off of $375,048 was made from surplus in that year to cover loss sustained, but earnings have shown consistent gains since that time. A dividend of 8 per cent was paid on the common stock last year.

GREAT LAKES COVERS COSTS OF OPERATION

Receiver's Report Says Bank Loans Not Needed

Results of practically a full year's operation of Great Lakes Paper Co. under the receivership instituted on July 13, 1931, are available with the issuance of a statement by National Trust Co., acting as receivers and managers, which shows an operating profit of $213,816 available for depreciation, bond interest and unpaid receivership expenses. This profit for the period, July 13, 1931, to June 30, 1932, is the result of operating the mill at between 35 per cent and 40 per cent of capacity. Reserves set up total $202,357 and more than offset exchange on U. S. funds which amounted to $180,697.

The report of the National Trust Co. to the Bondholders' Protective Committee states that no allowance to the receiver and manager has yet been made or requested and that there are various liabilities for legal and other receivership expenses for which accounts have not yet been rendered. The exact final results of the operations for the period cannot be definitely determined until certain matters left open under an agreement dated August 7, 1931, between the receivers of Great Lakes Paper Co. and Minnesota & Ontario Paper Co. have been decided. This agreement, which provided for newsprint tonnage for Great Lakes Paper furnished on an allocation basis by Minnesota & Ontario Paper, is understood to have been extended to August, 1933.

Commission In Dispute

The amount of commission which receivers of Minnesota & Ontario Paper Co. are entitled to deduct from remittances made to the receiver of Great Lakes Paper Co. in respect of newsprint sales is in dispute. The claim for 10 per cent commission is regarded by the National Trust Co. as being excessive but provision has been made in the profit and loss figures for the whole amount of commission claimed.

The operating results for the period July 13, 1931, to June 30, 1932, are reported as follows:

Total sales of newsprint, net price at mill	$1,569,095
Less: Manufacturing cost	1,274,859
Gross profit from sales	294,236
Profit from screenings sales	897
Salvage and misc. income	2,280
	297,413
Less: Gen. & administrative exp.	72,303
	225,110
Add: Interest earnings	10,366
Exchange received	180,697
	416,172
Less: Gen. res. for contingencies	120,000
Res. for commission in dispute	82,357
Receiver's operating profit before deprec., bond int. & allowance for unpaid receivership exps.	213,816

The liquid position of the receivership at June 30, 1932, is outlined and shows current quick assets of $1,658,046 and liabilities at $586,062 leaving a surplus of $1,071,984. It has not been necessary for the receiver to borrow money

(Continued on page 2, col. 7)

RAIL EXPANSION NOW GIVES WAY TO THRIFT ERA

Fundamental Change to Follow Duff Report

EXIT RAIL BUILDERS

Enter Careful Administrators—Powers Now Suggested Do Not Exist at All Today

From Our Own Correspondent

OTTAWA.—Reaction to the Duff Railway Commission report at Ottawa is entirely favorable and there is no doubt that the majority of the recommendations will be placed before parliament for approval and enactment very soon. Nor will these bills occasion much controversy. So far, at least, there has not been a hint of party feeling stirred up by the report.

To those who have built up and administered railway law in Canada for the past thirty years the report—even though only the summary is yet available—carries the deepest significance, marking a clear cut, unabridgable gap between past and future railway administration and policy. To them, the report is important because it brings to an end one era of transportation in Canada and begins a new era.

Brand New Powers

At first glance, there might appear to be a good deal of duplication and overlapping between the control bodies to be set up under the report—such as the Arbitral Board—and such existing bodies as the Railway Commission. Ottawa asserts that this is not so. The Duff report will place upon the statute books laws which have never existed in this country before, powers which have never been exercised.

One of the foremost railway law administrators in Canada, remarked to The Financial Post that to him the Duff report meant, chiefly, this:

That the period of railway expansion, of competition, of progression in every direction, would now be definitely and completely halted. Instead, we are about to enter upon a period of railway curtailment.

Last of Railway Builders

In the past, the Canadian people have accorded wealth and distinction to those who could create railways. The names of men like Strathcona, Van Horne, Shaughnessy, J. J. Hill and many others will never be forgotten. They were the railway builders. People like McNabb, the "Belted Knight of Dundas,"—who on a famous occasion declared in the old Upper Canada legislature that "Railways are my politics," who was a factor in driving through the old Grand Trunk—these pioneers who opened up this Dominion will hold their place. But, in the future, the palm will go to the careful administrator, the expert economizer.

Why Not Before?

As viewed by our railway law experts, one of the amazing things about the Duff report is that Canada should not already have had much of the law which is now, as a result of this report, to be enacted.

Take the Arbitral Board, which is to be a court of final appeal in matters of disagreement between the railways as to joint economies, as well as a court to which any of the governments of the country may bring transportation matters. The

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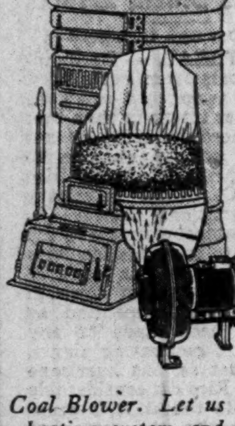

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TORONTO CANADA

RAIL EXPANSION NOW GIVES WAY TO THRIFT ERA

(Continued from page 1)

summary of the commission report, issued by Prime Minister Bennett, itemizes the powers to be exercised by this board under seven headings. One of the seven is a purely general provision incapable of definite classification. Of the remaining six, four have direct reference to the removal of railway duplication in matters of running rights, joint terminals, joint use of facilities, pooling of freight or passenger traffic.

Nonexistent Before

Many people are under the impression that the Board of Railway Commissioners had authority in such matters. But upon enquiry it is learned that the present Railway Act—which includes the law governing the Railway Commission—does not bestow any such powers upon anyone. In fact, in 1919 when parliament revised the Railway Act and passed the first National Railways legislation, a clause was placed in the latter statute definitely prohibiting the Railway Commission from attempting to exercise any authority over matters of this kind in so far as the National system was concerned.

Another of the seven powers to be conferred upon the Arbitral Board is the control or prohibition of the construction of new lines as well as the provision of facilities and additional services where no essential need of the public is involved. Such legislation has long been advocated in Canada but it has never been adopted. There exists, at the moment, no power save in parliament itself, to stop the construction of new railway mileage; no power whatever to restrict new facilities or additional services.

Van Horne's Vision

Many years ago Sir William Van Horne voiced public approval of the enactment of a general railway act along the lines of the Companies Act. In order to obtain letters patent, an incorporation, even a charter, it is necessary to pass a more or less close inspection at Ottawa or the provincial capitals. At least, many applications are refused. Sir William Van Horne's idea was to create some sort of governmental supervisory body to prevent reckless railway expansion.

The position under the law is that any group of capitalists desiring the right to build a railway need a charter from parliament. But anyone familiar with our political history will recall that this presented little or no obstacle in the palmy days before the war, when our present paralyzing railway problem was created.

It is frequently supposed that the Railway Commission has some control over new mileage. But this impression is due to the fact that a railway company cannot place new roads in operation without a permit to do so from the commission. Here, however, the only "discretion" the commission possesses is to make certain that the new road is up to standard, safe for the general public to travel over.

One Curious Exception

Take the abandonment of railway mileage. Here again there is in existence no power to compel abandonment. The Railway Commission has power to prevent it if any contract between the railway and an individual or company is abrogated. But the commission, under the law, has not a word to say about abandoning this or the other stretch of road. To this general proposition there is one curious exception. Parliament, in enacting the old Grand Trunk Pacific legislation, inserted a provision stating that the company could abandon trackage provided it could obtain the assent of the Federal Government by order-in-council. And the clause went further and said that the government should not give this assent unless and until the proposed change had been investigated and approved by the Railway Commission. But not once since this statue was enacted has this section been availed of.

On the whole, therefore, the powers to be exercised by the new Arbitral Board will be new powers, never bestowed upon any institution by parliament before.

From this, and many other, points of view, the findings of the Duff Commission look to be of the deepest significance and to hold out real hope of an ultimate untangling of the Canadian railway problem.

BEAUHARNOIS READY TO DELIVER OCT. 1

Two Units Installed and Awaiting Delivery Date

From Our Own Correspondent

MONTREAL.—Beauharnois Light, Heat and Power Co. controlled by Beauharnois Power Co., will be ready to make deliveries of power as called for under contract with Montreal Light, Heat and Power Consold. and the Ontario Hydro Electric Power Commission. The agreement with the former calls for delivery of 25,000 h.p., on October 1 next and a similar quantity on the same date during each of the next seven years for a total of 200,000 h.p. The Ontario Hydro contracts calls for 35,000 h.p. at the beginning of next month and increasing quantities annually thereafter until 250,000 h.p. is reached.

Only two units of 50,000 h.p. each are at present in place. The huge plant is capable of holding ten units of a similar size, and the balance will be added as the demand for power warrants. The machines installed have been tested and found to be in satisfactory order.

Feeder Lines Completed

The feeder lines from the power house to the Ontario border are completed and it only remains for the Hydro Commission to make the link with their own system. Montreal Power has had its line complete and in operation for some time, it being used to handle power from Cedars to the Atwater sub-station in Montreal.

The power house, of concrete and brick construction, is built for the reception of six generators of 60 cycles and six generators of 25 cycles, while in the centre are two double tunnels for the erection of two more generators when required, as well as four large sluice gates by which the water could be turned direct into Lake St. Louis should it be necessary to shut down the gates on the tunnels leading to the turbines. At the end of the power house where the Ontario supply is generated, there has been built a large dam to allow of further extension in that direction if desired.

CANADA STEAMERS MEET OBLIGATION

Arrangements Made to Cover Interest Due on October 1

From Our Own Correspondent

MONTREAL. — Canada Steamship Lines announce that it will meet the half yearly interest due October 1 on its 6 per cent first and general mortgage bonds. At the end of last year there were outstanding $17,666,000 of these bonds, which mature on October 1, 1941.

In amplifying this announcement, W. H. Coverdale, president, stated that the decision of the company had been influenced by the very substantial movement of grain in the past few weeks. Further improvement in the grain-carrying business is seen in the formation of the Associated Lake Freighters which organization has been responsible for advancing the grain carrying charges from a low of 3 cents earlier in the year to a high of 6½ cents at the present time. A further increase is expected in the near future. During the 1931 grain carrying season, the rate scheduled averaged around 5 cents per bushel of grain carried.

Returns Are Smaller

Further comments on the current position of the company were along the lines set forth in the article on the Canada Steamship Lines published in The Financial Post a few weeks back. Passenger business for 1932 was about half that in the previous year while the monetary returns were about 40 per cent. Returns for this division were influenced by the late opening of navigation, as well as an earlier closing.

The financial position of the company has not undergone any marked improvement. The bank loan of $2,750,000 shown in the annual statement as at December 31, 1931, is still outstanding. The current bank loan of $1,150,000, however, has been paid off.

NATIONAL SYSTEM INCOME LOWER

From Our Own Correspondent

MONTREAL.—Improvement noted in the July operating returns of the Canadian National Railway System was not as well maintained in August, the interim report showing a net operating income of $209,175, as compared with $314,859 for the same month a year ago.

Gross earnings during the month amounted to $11,328,017, a drop of about $300,000 from the previous month and of $2,981,793 from August last year. Operating expenses at $11,118,841 show a seasonal upturn, but were still $2,676,933 under those reported for the same month in 1931.

The ratio of operating revenues to expenses during the first eight months of 1932 was 96.38 per cent as compared with 98.14 per cent for the corresponding period of 1931.

The Nation's Business

(Continued from Page One)

dictatorial power established over the C. P. R. As the summary issued by Mr. Bennett is not entirely clear on these points, comment will have to be reserved until the final report is available.

Our Billion Dollar Railway Mistake

OF ALL the costly errors that Canada has made in its railway development one stands out as the great billion dollar mistake. Had this been avoided, through the exercise of common sense and foresight, our railway problem today would be one that would not bother us very much.

This greatest of errors was the refusal of Sir Wilfrid Laurier to force Charles M. Hays, president of the Grand Trunk Railway, and William Mackenzie, president of the Canadian Northern Railway, to come to terms for the amalgamation or co-ordination of the Grand Trunk eastern lines with the Canadian Northern western lines. This would have given Canada a second transcontinental railway from coast to coast and as the western lines would have been in the northern part of the Prairies, far from the C. P. R.'s main line, there would have been ample railway facilities to open up the country, plenty of railway competition and very little wasted capital expenditure.

But William Mackenzie was ambitious and wanted to compete with the Grand Trunk in the east. Mr. Hays affected superiority and had no high opinion of the cheaply constructed Canadian Northern lines in the West. Sir Wilfrid Laurier was anxious not to repeat the over-cautiousness that cost Alexander MacKenzie his premiership of Canada and got the Liberals the reputation in the 70's and 80's of having little faith in Canada. "The flood-tide is upon us that leads on to fortune; if we let it pass it may never occur again," said Laurier. The Conservative criticism was not against the road but only against the manner of building it. As a result the Canadian government backed the Grand Trunk Pacific Railway with millions of dollars of bonuses and guarantees and did the same for the Canadian Northern. And to forestall the programme of the Grand Trunk Railway of using their Detroit to Chicago line, together with running rights over some of the established American grain lines, as the link between the east and Manitoba, Laurier caused to be built and handed over to the Grand Trunk Pacific the utterly wasteful National Transcontinental Railway.

A minimum of a billion dollars of the capital of Canadian taxpayers was thus thrown away and, year by year until we have taxed ourselves to the limit to pay back this money, we shall have to pay interest charges upon it.

It would be well for Canadians to review this sorry chapter in our economic history from time to time as it may give them a slightly different perspective upon such development as the transcontinental highway, the St. Lawrence waterway, the Hudson Bay Railway and other contractors' rackets.

Milking of Railways is in Part Their Own Fault

THE average of railway freight rates in Canada has always been less than in the United States. It may be questioned, however, if railway rates, whether in the United States or in Canada, have ever been high enough to compensate the lines for the service they have rendered. The hundreds of railway bankruptcies that have been experienced in the United States in the last 75 years and the present sorry plight of our two lines of railways in Canada have been due in part to unwise investment and to extravagant operation, but a major factor as well has been the fact that the railways have attempted to give too much, or have been forced by public regulation to give too much, for the money.

The idea has always prevailed in the public mind that railways are enormously wealthy organizations. Their sheer size has tended to give this impression and the magnitude of some of the financial operations that powerful captains of finance like Harriman, Hill, Morgan, Vanderbilt, and Mountstephen have indulged in, have tended to confirm this impression in the public mind. The railways then have always been easy prey for the taxgatherers; the less reasonable of labor leaders; and politicians working through public bodies to obtain lowered rates for sectional or other interests.

* * *

FOR this situation, the railways are in considerable measure to blame. Their accounting and reporting systems have never been adequate to reveal their real costs. Railway operating men have been taught to show good operating ratios and not to earn an adequate return on every dollar invested. They have never utilized the devices of depreciation accounts or reserves to keep their net capital liabilities in line with actual values. Instead, they have substituted for depreciation accounts, the very elastic system of maintenance and replacement accounts, which have enabled them to use the excess profits of good years to bring up-to-date as far as possible properties that were allowed to run down in poor years. They have given in their balance sheets and published accounts a suggestion of prosperity that was often not warranted by the real facts.

* * *

HANDICAPPED by inadequate rates, they have nevertheless been plundered by shop regulations. Whether or not the scale of wages in force on the railways of Canada has been excessive may be a matter of opinion, but it is difficult to find justification for the permanent imposition of many of the regulations enforced by the running trades.

When a railway engineer is not permitted to tighten a bolt on his own steam line or nail down a plank on the seat of his cab because by doing so he might rob a steamfitter or a carpenter of his job, the ridiculous nature of the regulations can be understood. The taxpayer of Canada is investing millions of dollars a year in excess labor costs because of these regulations. And yet labor has gained no net benefit. Terrible loss has been suffered by the railways and has weighed so heavily upon creative development in Canada that there has been a tremendous increase in unemployment and a serious loss to labor.

Perhaps out of the present railway situation in Canada will arise the idea that the railways are not wealthy, overprosperous corporations after all and that they must be given a fair deal by the public if they are in turn to continue to give good service to the public.

The railways have striven for many years to convince the public that Cornelius Vanderbilt's "the public be damned" is not their policy. Perhaps it is now the public's turn to get away from a policy of "the railways be damned."

Amalgamation to be Avoided if at All Possible

WHILE the Railway Commission was subjected to very strong pressure that it should recommend a merger of the two railways in Canada into one gigantic system the final decision was against any such recommendation. Let us hope time proves that the judgment of the Commission was wise.

Amalgamation offered many substantial advantages, the chief one being that it promised the quickest and surest method of putting into force the economies that can come more slowly through co-ordination and co-operation between the two lines.

Any plan of co-ordination would have come sharply up against one fundamental issue: whether amalgamation would take place under the influence and jurisdiction of the privately-owned C. P. R. or under the publicly-owned Canadian National Railways. An amalgamation upon a basis half-private and half-public was out of the question.

The country has had enough of public ownership of railways to be strongly opposed to one huge bureaucratic company. At the same time, there remains sufficient intangible fear in Canada of the so-called St. James Street influence to make large areas in the country bitter and determined in their opposition to C. P. R. control of all the railways of the country. Whether this opposition is sound or not is beside the point; the chief point is that it is there and cannot quickly be removed.

* * *

RAILWAY amalgamation in any event has two grave potential dangers. The first is the possibility of a railway monopoly becoming a sluggish and comparatively inefficient institution which would not serve Canada with transportation as progressive as it requires in its development. The second was that a huge railway machine would always hold above the people in Canada a threat of political dominance. One huge corporation, whether publicly or privately-owned, controlling all the railways in Canada, might in time become a more important political machine than the government itself.

Nevertheless, the general public in Canada has no adequate conception of the real gravity and seriousness of the railway problem. It is yet to be proven whether or not the two railways can work together to carry out in spirit the recommendations that the Duff Commission report makes in letter. If the high hopes aroused by these recommendations are not fulfilled in the results over the term of the next five years railway amalgamation may become a problem for serious consideration.

Amalgamation is not to be considered as impossible but it must be considered only as the final refuge after all other havens have failed.

Recapitalization and Private Ownership

IN SOME circles, surprise has been expressed that the Duff Railway Commission did not report on either of two important questions.

1. The possible recapitalization of the Canadian National Railways to bring its bonded indebtedness in line with the replacement value of the property or its earning power.

2. The possible sale of the Canadian National Railways to a private syndicate in order that there might be two privately-owned railroads competing in Canada.

After all, it was just as well that the Commission did not attempt to deal with the question of railway recapitalization. There is no unanimity of opinion in Canada as to whether or not such a move should be undertaken and even if there were a strong feeling in favor of it, there would be a different opinion as to the proper manner in which to undertake the task. After all the recapitalization of the Canadian National Railways is one that must be planned after a genuine test has been given of the road's ability to earn something toward its enormous interest charges. It would have been a wasted effort for the road to have been recapitalized on the basis of the Gaston plan presented by Sir Henry Thornton to Hon. Chas. A. Dunning. This was a very elementary scheme such as could have been drawn up by any amateur accountant or cub reporter and did not follow upon a comprehensive study of the railway's various capital liabilities. It would still have left the Canadian National Railways with a bonded indebtedness far above its present earning power. Any scheme of recapitalization based upon present earning power would have to write the whole capitalization down to somewhere between nothing and $100,000,000 and transfer the entire balance of the burden to the taxpayer. This would mean that when prosperity returned there would be an insistent demand for lower freight rates and the necessity of the C. N. R. earning something eventually from the public investment in it would have disappeared entirely.

After the new board of trustees and the new management of the Canadian National Railways have had between five and ten years of serious effort in reduction of costs and have determined what the actual potential earning power of the railroad is, it will be proper for them to present to the government a scheme of recapitalization and if it has the support of a board of trustees in whom the public has complete confidence, there will be little opposition to it in Parliament. But reorganized policies and economical operations must precede any such recommendation and the Railway Commission was wise to avoid the issue at the present time.

* * *

PROBABLY private ownership of the Canadian National Railways is the ultimate objective to be aimed at. But to suggest private ownership now would be to fly in the face of a public opinion that is yet uneducated as to the real seriousness of the railway burden. Injecting such an issue into the discussion would prevent concentration of effort upon the main problem of reducing costs and would to a considerable extent vitiate the good effect of the more useful recommendations made by the Commission.

Morever, it is quite obvious that no private syndicate could be formed anywhere in the world to buy the Canadian National Railways as a going concern at the present time at a price anywhere near what it must eventually be worth to the people of Canada. The Canadian National Railways cannot be valued upon the basis of its 1928 earnings nor can it be valued on the basis of its 1931 earnings. Its real value as a going concern will have to be determined in the years to come. When that value has been determined consideration may properly be given to finding ways and means of putting the railway under private ownership and operation as quickly as possible.

REDUCED CROP OF POTATOES IN MARITIMES

(Continued from page 1)

Financial Post is informed that the outcome of these factors will probably be a reduction of at least 30 per cent in the crop which together with the reduced acreage will bring total available crop to about 50 per cent of 1931. Quality is thought by some observers to be relatively small and rather under-sized with a relatively high percentage of No. 2 tubers. It is feared that the proportion of No. 1 potatoes from Prince Edward Island, which are wanted particularly on the New York market, will be small. The yield in New Brunswick is expected to range from 50 to 70 barrels to the acre against an averaged 90 to 100 in previous years.

The main cause of this is attributed to blight or premature death, to which the lack of sufficient fertilizer has contributed. On the other hand another report received from Charlottetown says: "Due to early blight the average yield will be low, probably 100-125 bushels merchantable. While some late blight has developed, so far it has not affected the quality to any extent."

The New Brunswick situation is equally serious according to one correspondent who writes: "The acreage planted to potatoes in 1932 is estimated at about 50 per cent of last year and as blight and rot have affected the crop more or less seriously according to localities, the yield will be further reduced."

Expect Price to Improve

As to the outlook for prices, agreement seems to be general that prices will in all probability improve later in the year and that those farmers who can hold on to their crop will benefit accordingly. It is feared however many farmers will be forced to sacrifice their crop in order to meet current indebtedness. Prices have not yet been established but a few car lots have been disposed of at Charlottetown at around 20 cents a bushel or 33 cents per cwt. From Woodstock comes advice that dealers are currently buying to fill orders at 50 cents a barrel (37 cents per cwt.) for Green Mountains. Cobblers are 5 cents a barrel cheaper.

The following extracts from information received from correspondents indicate the current attitude outlook in regard to price.

"It is difficult to estimate a price, especially as at this time there is apparently no market for our crop. Owing to the scarcity of ready money among our farmers, to obtain cash to live and to satisfy pressing creditors, there will likely be a heavy offering of potatoes this fall and even though there is a shortage of potatoes in the country, the markets will be fully supplied for some time and the price kept quite low, and we look for a somewhat lower price this fall than will be received in the late winter or spring by growers who are in a position to carry their potatoes safely through the winter."

"Our chief market (for Charlottetown potatoes) in the past has been New York and Cuba and prices will likely run in sympathy with the quotations for other commodities such as wheat. There is a feeling that a demand will develop later which may enable farmers to dispose of their stocks at satisfactory prices but at the present moment the outlook is not particularly encouraging."

"If our crop (P. E. I.) is harvested in as good condition as is now apparent, farmers will receive fairly satisfactory prices after the frost. Serious blight has developed in Maine and Northern N. B. and it would not be surprising to learn of further shrinkage in outturn when the crop is out of the ground. The blight resulting in poor keeping qualities will undoubtedly seriously affect the early price and the immediate outlook is not at all promising. With anticipated shortage in the spring, however, strengthening in prices is looked for, with steady demand."

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GREAT LAKES COVERS COSTS OF OPERATION

(Continued from page 1)

to carry on the business. The current assets do not include accounts for receivership expenses which have not been rendered or any allowance to the receiver and manager.

Cash is Higher

Compared with the statement of March 31, 1931, cash has been increased to $148,460 from $13,323; sundry accounts and balances receivable are down to $9,713 from $23,502 and deposits with Mutual Insurance Companies are down to $28,578 from $32,551. Balance owing by receivers of Minnesota & Ontario Paper Co. has been increased to $392,640 from $294,714 while inventories are up to $777,439 from $510,618. Advances on woods operations for 1931-1932 are shown at $199,427 and Dominion of Canada bonds deposited as security with the Hydro-Electric Power Commission of Ontario total $392,640.

Liabilities to sundry creditors, secured or preferred are shown at $189,177 and sundry trade creditors of the receiver and manager are shown at $32,468. Reserve of $63,630 is established for possible claims while receiver's reserves total $300,787 and include $120,000 for contingencies; $82,357 for commission claimed by receiver of Minnesota & Ontario Paper in respect of shipments during receivership and $75,636 on shipments prior to receivership and $22,794 for inventories.

The receiver presents no complete statement of assets and liabilities such as was presented in the approximate statement of affairs at March 31, 1931. Canadian interest in the company is in the $10,000,000 of 6 per cent first mortgage bonds, interest on which was defaulted March 31, 1931, following default of Minnesota & Ontario Paper Co. on its securities. Both companies were controlled by Backus-Brooks Co., while Minnesota & Ontario Paper Co. holds a substantial interest in the Great Lakes Paper Co. preferred stock of which there is $10,000,000 outstanding.

McColl Frontenac Oil Extend Western Facilities

From Our Own Correspondent

MONTREAL. — McColl-Frontenac Oil Co. plans to establish a unit at Fort William, providing storage capacity for 2,500,000 gallons of gasoline and oil. The company has purchased twelve acres on Island No. 1, with frontage on the McKellar River, and will erect four steel frame storage tanks at an estimated cost of $85,000. It is anticipated that the tanks will be completed in about six weeks' time.

The McColl refineries are located at Toronto and Montreal. It is expected that gasoline and oil will be brought by water from these two points to Fort William. The company now operates three vessels on the Great Lakes service.

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(Non-Callable)

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Legal Opinion: E. G. Long, Esq., K.C.

These Debentures are direct obligations of the Province of Saskatchewan, and are payable, principal and interest, out of the Consolidated Fund of the Province. They are exempt from Municipal and School Taxation in the Province of Saskatchewan, and are free from all Provincial Taxes and Succession Duties imposed by the Province.

An annual Sinking Fund of one per cent. will be established against this issue.

Information regarding the financial position of the Province will be found in the official circular which is available upon request.

We offer these Debentures if, as and when issued and accepted by us, subject to the approval of Counsel. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books at any time without notice.

It is expected that Debentures in interim form will be ready for delivery on or about October 20, 1932.

PRICE: 96.48 and accrued interest, to yield 5.80%.

The Royal Bank of Canada
The Canadian Bank of Commerce
Dominion Securities Corporation Limited
Wood, Gundy & Company Limited
A. E. Ames & Co. Limited

The statements herein have been accepted by us as accurate but are in no event to be construed as representations by us.

September, 1932.

WESTERN STEEL LOSS THIS YEAR LESS THAN 1931

James Richardson Issues Statement on Affairs of Company

From Our Own Correspondent

MONTREAL. — Though sales of Western Steel Products in the first half of 1932 very severely compared with those of a year ago, a great improvement in operations has been noticed by James A. Richardson, president of James Richardson & Sons, who has issued a letter on the situation surrounding both Western Steel Products and its parent organization, Corporate Steel Products. Publication of the letter is of special interest since it constitutes the first official statement on operations since the company was placed in receivership early this year.

It is stated that the net loss of Western Steel Products, before depreciation and bond interest, during the first six months of this year was less than one-third of the loss sustained during the same period of 1931, when, as related, sales were considerably higher. The improvement reflects economies effected since the National Trust Co. as trustee for the bondholders, assumed charge of the property.

Management Tightened Up

The letter continues in part:

"Some time has elapsed since any announcement of a public nature has been made regarding Western Steel Products Limited, and Corporate Steel Products, Limited, and you will be interested, and doubtless somewhat reassured, in hearing what is being done.

"Western Steel Products, Limited, has been under the management of the National Trust Company, Limited, Trustees for the Bondholders since February 1, 1932. They assumed control under the prerogative given them under the Trust Deed. At our suggestion, R. J. Magor, of The National Steel Car Corporation, was brought on the scene and through his advice some very beneficial economies have been put into effect.

"Management and control have been tightened up throughout the company and improved systems for the conduct of the business have been installed. Two of my executives receive periodical financial statements from the company and it is their duty to follow operations with a view to giving any practical assistance possible for my firm to give. Although figures to the end of June, 1932, show that sales have declined very severely when compared to a year ago, this decline is not altogether out of line with other industries and we are pleased to observe a great improvement in operations. The net loss (before depreciation and bond interest) during the 1932 period is less than one-third of the loss sustained during the same period of 1931, when, as related, sales were considerably higher. This reflects the economies which have been effected since the National Trust Company, Limited, have been in charge.

Poor Outlook Corporate Steel

"Corporate Steel Products, Limited, as you are aware, is in the hands of a liquidator, M. Ogden Haskell, 388 St. James Street, Montreal, who has not yet issued any statement regarding final disposition of this estate. It may be that this company's affairs will not be finally wound up for a considerable time as there are doubtless many matters still to be dealt with. In any event, I do not believe that in the final analysis there will be much, if anything, to distribute to the shareholders of Corporate Steel Products, Limited. This is my opinion only.

"The object of this letter is to assure you that I am watching the situation very closely both in the East and in the West. I wish also to say that if the time comes when a reorganization of Western Steel Products, Limited, is possible, my efforts will be devoted toward the working out of some plan in which security holders of both Western Steel Products, Limited, and Corporate Steel Products, Limited, will participate to the fullest extent possible with due regard to various classes of securities which they presently hold."

HAMILTON BRIDGE OMITS DIVIDENDS PREFERRED STOCK

Company's Liquid Position Stated to be Satisfactory

From Our Own Correspondent

MONTREAL. — Directors of Hamilton Bridge Co. have taken no action on the company's preferred dividend due November 1. Deferment of payments is not surprising in view of the fact that operations in the first five months of this year resulted in a loss.

The company, directors state, is in a strong financial position and has effected every possible economy in operation so that when conditions generally improve it will be in a good position to take advantage of any increased business offering. The payment has been suspended to conserve this strong liquid position.

Paid For Four Years

Hamilton Bridge Co. has outstanding $2,200,000 of 6½ per cent preferred stock in addition to 100,000 shares of common. Dividends on the preferred have been paid regularly since 1928; the last payment made on the common was in May, 1931.

Restricted demand for fabricated steel has found reflection in earnings of all companies serving the industry. Net profit of Hamilton Bridge in 1931 was $144,727 compared with $303,340 in the previous year; earnings on the preferred were equal to $6.58 a share. At the end of 1931 balance sheet showed current assets of $1,523,421 against current liabilities of $395,627. Bank loans totalled $49,555; investments at book value were carried at $614,184.

Increased Cheese Exports Maintained in August

Canada's important cheese exports continue to increase, the August totals of 16,715,200 pounds valued at $1,658,838 comparing with 11,929,100 pounds worth $1,528,135 in August, 1931. July, 1932, exports of cheese totalled 15,993,700 pounds.

Over 16,000,000 pounds of cheese in August went to the United Kingdom alone, the next best customer being the United States which took 429,500 pounds. The small balance went to a large number of other countries.

During the twelve months ended with August the export was 95,333,600 pounds, compared with 79,162,400 pounds in the previous twelve months. New Zealand is the largest exporter of cheese to the United Kingdom.

Russia's Five Year Plan Through Canadian Eyes

Ultimate Aim of Soviet Planned Economy is to Make Russia Independent of Foreign Sources of Manufactured Products

By THORNTON PURKIS

Thornton Purkis, who is writing these articles on Russia, is a Toronto advertising man, who spent the summer in the land of the Soviets. In this article he tells about the Five Year Plan, not an unfamiliar subject in these days. But Canadian business men have not had opportunity before to read about the Plan as seen through eyes of a Canadian business man, and that is why an article on the Plan is included in the series.

Russia's Paitiletka (Five Year Plan) about which the world has heard so much, is so colossal an undertaking, that the wonder should be, not that it may fail in certain objectives, but that it has already succeeded in so many others.

Thornton Purkis

Even its authors admit they didn't expect to accomplish everything they set out to do. They provided for certain probables known as minimals and certain possibles known as maximals. Some maximals were reached in three years, as in lumber. Minimals have not yet been attained in automobile and agricultural implement production.

The study of the Plan is fascinating. Within the compass of this article, I hope to present a word picture that will be interesting to the calibre of men who read The Financial Post.

Those who merely wish to wallow in stories of Russia's suffering won't find what follows interesting, but I sincerely believe that what is going on in Russia is of vital concern to Canadian business men, if only for the following reason:

The natural resources of the U. S. S. R. closely parallel those of Canada. The development of these resources will provide Canada with its strongest competitor in world markets. For Canadian government authorities and business men to ignore Russian developments is to bury our heads in the sand at the approach of danger—make no mistake about it. European business men are greatly agitated by Soviet trade expansion; so are the executives of such firms as the Standard Oil Company in the United States.

Political Framework

The Union of Soviet Socialist Republics (commonly referred to as the U. S. S. R. and no longer called Russia) consists of several federal republics—Russian, Ukrainian, White Russian, Trans-Caucasian, etc. These federal republics may include, within their boundaries, certain autonomous ethnological states or groups such as Tartars, Bashkirs, etc. There are also regional groups divided according to economic and geographical principles. The lowest administrative unit corresponds approximately to a county such as Peel county in Ontario.

At the International "Planned Economic Congress" held in Amsterdam last year, the speeches of the Soviet economists held the profound attention of the economists from capitalist countries. The latter were greatly concerned to find ways and means of combatting Socialist planned economy, especially in its effects upon international trade. The Soviet economists, after expounding the principles and results of Soviet economy in different spheres of activity, asserted that it was impossible under capitalist conditions to achieve equal results. Their comparative statements still remain to be proved.

What is Socialist Planned Economy as interpreted by the U. S. S. R.? It is state ownership of the entire means of production, distribution, and exchange of commodities within the confines of the state, plus a complete monopoly in foreign trade.

Organization of Plan

How does it work? What sort of an organization is set up to control so gigantic a plan?

The central organization is the State Planning Commission — the Gosplan. Its powers are supreme. Its instructions regarding planning, organization, and accounting must be carried out by each link in the chain of subordinate organizations. In every Federal Republic, in every region, territory or administrative district, (towns with a population of over 20,000) there are local planning commissions that are responsible to the Central State Planning Commission. Apart from this responsibility the powers of these subsidiary commissions are absolute.

These subsidiary commissions control the trusts, industrial corporations, railway boards and shipping boards which operate individual units such as shoe factories, tractor plants, railway shops, etc. The whole network of Soviet economic planning is based on the idea of relative subordination. Each trust passes upon, and approves or rejects the plans formulated by the executives of the enterprises subordinated to it in the same way that, I presume, the plans of subsidiaries of the U. S. Steel Corporation are subject to approval by the parent company's board of directors.

Territorial Responsibility

This subordination aims to establish cohesion and uniformity. Naturally there are weak links. Those responsible for weak links pay the penalty of demotion to lower grades of work.

The guiding principle is that the plan set up for any territorial unit shall include all enterprises within that territory, even those of primary state importance, such as coal mining and railroad construction. Consequently, the local or regional planning commission must draw up a complex (cross section or dovetailed) plan showing all the work projected or progressing within its territory so that its activities may be co-ordinated with those in operation elsewhere.

Enterprises are divided into those of national importance and those of local importance. The executives of the former are directly responsible to the State Planning Commission in Moscow; the executives of the latter are responsible to federal republic or regional authorities. Canadian examples of dominion, provincial and municipal government socialistic enterprises are: the Canadian National Railways, Ontario Hydro-Electric System and Toronto Transportation Commission. If they don't pay, the taxpayer foots the bill. If they do pay, the politicians take the credit. If that isn't state socialism, what is?

Some Central Boards

Statistical research and accounting departments play an important part in Soviet planned economy. They work with a view to giving as much practical help as possible to each unit. There is a Central Statistical Board in Moscow similar to the Bureau of Statistics at Ottawa except that, where Ottawa gives figures on what has passed, and stops there, the Soviet's statistical bureau endeavors to interpret known statistics into the projection of future plans.

The Central Statistical Board has branches throughout the country. The gradual fulfillment of plans is verified by two methods: First, conjunctural observation. Indices are compiled and results communicated every five or ten days (usually by wire). Thus the State Planning Commission is quickly able to determine whether a certain plan is being fulfilled, and to make whatever changes the situation may call for.

Welfare of Whole Nation

The second method is based upon the receipt of complete accounts from all state enterprises. These accounts enable the executive to analyze results of any plan, as well as the factors which made such results possible. Further planning is thereby placed upon a sound accounting basis.

The U. S. S. R. claims that Soviet planned economy differs fundamentally from capitalist planning in that the unity and co-ordination possible under their system enables the plans of separate economic units to be combined in one gigantic single plan for the welfare of the entire nation.

They assert that centralized management and decentralized fulfillment produce high standards of concentration in activity, and, eliminate waste. This, they say, is impossible under our system. The Supreme Council of National Economy controls 73 industrial corporations (or trusts) of Union or republic importance. These direct about 5,200 factories. A further 26 corporations, with nearly 3,000 factories, are under the control of the People's Commissariat of Supply. These plants are responsible for all large-scale industry. A volume of output amounting to 30 billion roubles (according to the 1931 plan) was concentrated in this comparatively small number of organizations. The All-Union Council of Co-operative Producers embraces 25,000 organizations. These latter have 40,000 workshops in which 2,850,000 co-operative producers are engaged. In 1931, their output was valued at approximately 5.3 billion roubles.

The Commissariat of Ways and Communications operate all railroad and other forms of transportation—rivers, canals, etc., as a single economic organization.

Collectivized Farms

A few years ago there were 25,000,000 individual farms. Now about 15,000,000 of these have been organized into about 220,000 collective farms. To these are affiliated 40 to 50 collective farm unions. These are controlled by the Collective Farm Centre of the Soviet Union. The activity of remaining individual farms is regulated by direct and indirect methods. The Tractor Centre controls the work of nearly 2,000 machine and tractor stations. There are also several thousand big state farms covering an area of several millions of hectares directed by the Commissariat of Agriculture. (A hectare is 2.7 acres).

All electric power stations are controlled by a central organization which regulates supply of power to industrial and other bodies.

Fall Down in Distribution

The U. S. S. R. authorities claim to have achieved a high degree of efficiency in the sphere of distribution. I doubt this, otherwise there would not be such an uneven distribution of foodstuffs, clothing and similar fundamental commodities, which appear abundant in some regions and quite unobtainable in others.

The entire wholesale trade is socialized. Some 98 per cent of retail trading is socialized. About 75 per cent of retail turnover is alone controlled by Consumers' Co-operatives.

The State Bank, which has branches in all big centres, and the Commissariat of Finance, regulate the financial operations of the whole machinery of production, distribution and exchange—profit and depreciation, expenditure on capital construction, provision for increased working capital, and other expenditures. This single financial system receives, distributes and re-distributes financial resources as required.

Heavy Industry First

In drawing up plans, the State Planning Commission first bases itself upon a fairly complete report on conditions at the time any major enterprise is projected. They examine the efficiency and capacity of the available means of production (machinery, etc.) taking into consideration any new factory units that may come into production during the development of the plan. They also estimate for the natural or basic products that may be necessary as well as the trained labor available. One principal aim is to establish a balance between industry and agriculture. Under the Five Year Plan, for example, heavy industry is given preference to light industry; "first things first" as they say.

In drawing up directions, the State Planning Commission takes into consideration the results of the scientific research carried on by numerous institutes and laboratories, the activities of which are well organized. It also keeps well posted upon the latest technical achievements abroad. Patent laws don't worry it any more than they do certain capitalist countries. Wherever expedient it endeavors to provide for the introduction of scientific and technical improvements on a mass scale and allow for further improvements in organization of labor and rationalism of production.

Ultimate Aim Important

Working on these data, experts indicate the possible rate of growth of national structures as well as of sectionally important enterprises. Quantity and quality quotas are set for every group of factories, and accordingly, they indicate the distribution and redistribution of available or anticipated resources in any direction. When establishing quotas in any industry, the ultimate aim is of decisive importance. For example, the ultimate aim of the collectivization of agriculture called for the rapid erection of tractor works, the importation of tractors from abroad and for a change in the orders given to the agricultural machinery factories for machines to be adapted to tractors instead of horsedrawn machines.

The ultimate aim in reconstructing transport demanded an extensive programme in re-organization of the work of these factories which supplied equipment for transport. Last, but by no means least, the ultimate national aim is to make the U. S. S. R. independent of manufactured products from foreign countries. Success in this latter respect may determine the continuance or the abolition of the Soviet system of planned economy. I think it will continue.

Author's Note. — The foregoing article is based upon information gathered in Russia and supplemented by study of the proceedings of the Amsterdam Conference. In my next article I shall deal with the planning and development of agriculture in the U. S. S. R. or more popularly, "Collective Farms."

GYPSUM OUTPUT DROPS SHARPLY IN SIX MONTHS

Has Bearing on Position of Gypsum, Lime, Alabastine Co.

From Our Own Correspondent

MONTREAL. — Canadian production of gypsum during June amounted to 39,452 tons compared with 66,139 tons in May and 125,325 tons in June, 1931. The sharp decline in activity compared with last year has a direct bearing on operations of Gypsum, Lime and Alabastine, Canada, one of the largest gypsum manufacturers in the Dominion.

Reduction in gypsum production is further seen in figures covering output for the first six months of the current year. In the half year ended June 30, 1932, production was 151,752 tons. This compares with 293,131 tons in the same period in the previous year and 427,592 tons in the first half of 1930.

Company's Sales Decline

The continued slackness in constructional activity has been responsible for this continued contraction in production. During the first six months of this year's sales of Gypsum, Lime and Alabastine, Canada, were down about 30 per cent compared with the same period in 1931. Domestic shipments were responsible for the greater part of the decline, exports tending to show an increase in the period.

In 1931, Gypsum, Lime earned $551,606 against $798,382 in the previous year. After all charges, however, profits applicable to the common stock were equal to but eight cents a share; no payment has been made on the stock since October, 1931.

INCOME TAX RETURNS SHOW FIRST RISE

Increased Receipts Reported for Five Months Period

Increased income taxes have begun to make themselves shown for the first time, according to August statement of income tax collections in Canada, published by the Department of National Revenue, Ottawa.

For the five months of the fiscal year ending August 31, 1932, total income tax collections amounted to $49,268,776, an increase of $1,500,000 approximately, over the corresponding returns for the previous year. Hitherto, returns have been considerably lower for the fiscal year to date than in the corresponding period of the previous year.

Maritimes and Quebec Lead

Of the 19 districts in which income tax collections are made, the Maritimes and Quebec have the best showing, with returns from Charlottetown, Halifax, Saint John, Quebec, Montreal and Ottawa all larger than in the same period of last year. Belleville, Toronto, London, Regina, and Yukon are also above the 1931 figure.

The largest declines are in Calgary and Vancouver districts, while Hamilton, Kingston, Fort William, Winnipeg, Saskatoon and Edmonton, are also lower than the year previous. Toronto figures show the largest actual gain amounting to over $638,000 while Ottawa district is next with an increase of $607,000. The increase in Montreal is $394,000.

An interesting feature of the returns is that Ottawa district is within $100,000 of ousting Vancouver from fifth place in the Canadian picture.

Fraser Shareholders Approve Reorganization

From Our Own Correspondent

MONTREAL. — Common shareholders of Fraser Companies have approved plans for reorganization of the company. At a recent meeting held at Edmundston, N.B., attendance represented 69 per cent of the outstanding shares.

Under the new plan, common shareholders are given one share for every 20 old shares held.

TEXTILE MAKERS ASK MAINTENANCE OF RESTRICTIONS

Claim Regulations Aided Industry—Say Business Level Unaffected

Canadian Textile Information Services of Montreal, in a statement issued on behalf of the Canadian cotton industry, claims that the regulations restricting dumping of foreign manufactured goods on the Canadian markets should not be cancelled until commodity prices and world trading conditions resume normal. The article states that these regulations have been the means of turning millions of dollars worth of domestic business to domestic manufacturers and domestic employment during the past two years "that would otherwise have gone to foreign producers because of the utter demoralization of goods, markets and currencies in many foreign countries."

The statement declares that importations have been maintained at a relatively high level, and that there has been no real decline in imports, by reason of emergency customs regulations, "of those types of fabrics which were formerly supplied from British and foreign sources." It states that these measures were necessary to prevent the wholesale dumping of staple manufactured goods, including made-up clothing, on to this market at sacrifices and "dump" prices.

"This market would still be literally flooded with this low-priced merchandise if these restricted measures were not in effect," the statement goes on. "It is doubtful if any Canadian merchant or secondary manufacturer has lost a penny through being unable to secure all the fancy, style or quality merchandise he required from foreign markets. Of what did the $74,309,231 worth of textiles consist that were imported during the 12 months ended July last? Only $13,824,330 represented raw materials. The balance, $60,484,901 represented manufactured textile products."

Want Restrictions Kept

The statement then takes The Financial Post to task for an article in which the views of importers and some secondary process manufacturers are set forth. It goes on as follows:

"It is stated by a leading financial newspaper that 'the general public has little idea how extremely high the duties have become in some instances.' It is true that the low level of commodity prices and the fictitiously low dump prices on much foreign merchandise have made the duties appear high, but the public would have received no benefit from the importation of these goods at prices underselling and undermining production and employment in Canada. The time has not yet arrived for Canada to lift these restrictive regulations. Foreign markets are still chock-full of manufactured goods ready to be dumped into Canada as soon as Canada's vigilance is relaxed.

"It has also been stated that 'goods of latest and modish design which have proved popular in other countries cannot come into Canada profitably to merchants under present conditions, but it is also true that secondary process manufacturers in many cases find that desirable materials not obtainable in certain colors, styles or weaves in Canada cannot be imported profitably so as to blend with domestic goods in producing certain goods that style-conscious Canadians desire.'

Home Markets Good

"Obviously this refers to textiles. The statement is a gross exaggeration of the situation. Imports of style merchandise have diminished only to the extent of the diminished purchasing power of this market. Certain merchants who have had exclusive selling rights on some staple foreign lines may have found their business restricted but such trade is almost insignificant in relation to the whole market.

"There has certainly been no stoppage of the 'flow of ideas,' as claimed by the financial newspaper in question. Most buyers are staying at home because of circumstances, and many of them have been astounded at the success with which their requirements have been filled by domestic mills. Many buyers in the textile trades have had an opportunity to become acquainted with the domestic market in a manner that might not have occurred but for the break in business. What is needed is increased domestic employment to start buying. Retail stocks are low, but consumers' stocks are lower. The emergency customs regulations should be maintained until the increased consumer buying movement has got well under way."

U. K. STEEL MAN DISCUSSES PACT

Sheffield Industrialist Thinks Britain Will Gain Much Trade

Some inkling of the terms of the iron and steel pact between British and Canadian industrialists and which was concluded at the time of the Imperial conference is contained in an interview with A. J. Grant, president of the National Federation of Iron and Steel Manufacturers of Great Britain, who was interviewed in Sheffield recently by a representative of the London Times Weekly Trade and Engineering Supplement.

Commenting on the agreements reached at Ottawa and Montreal, the report of the interview with Mr. Grant is as follows:

"A. J. Grant, of Sheffield, president of the National Federation of Iron and Steel Manufacturers, and leader of the iron and steel delegation to the Ottawa Conference, returned to Sheffield last week-end, very optimistic as to the benefits which may result from the Conference. The British delegation met the representatives of the steel industry in Canada before the Conference, and were able to reach a great measure of agreement, particularly as to goods not made in Canada. So far as he knew when he left Ottawa, practically all the terms of this first tentative agreement were confirmed. Sheffield already exports a fair amount of stainless, tool, and alloy steels to Canada, and Mr. Grant thinks there will be better terms for these products.

"Another suggestion considered was that the Canadian steel industry might confine itself more to the primary forms, while obtaining from this country the more specialized lines such as forgings, alloy steels, and tool steels. Mr. Grant's view is that if the British industry takes full advantage of the expressed Canadian intention to divert as large a proportion of the imports as possible to British sources, a very substantial increase in business to Great Britain should result."

Big Drop in Butter Exports is Reported for This Year

Export of Canadian butter in August amounted to 720,600 pounds valued at $129,316 compared with 1,708,600 pounds worth $370,558 exported in August, 1931. There was also a large decline from July when exports were 1,628,700 pounds.

Total exports of butter in the past five months amounted to 2,683,100 pounds compared with 6,046,400 pounds in the corresponding period last year.

ESSEX TERRAPLANE CAUSES INCREASE IN AUGUST SALES

Only Make to Improve on Record of July

With every other make of automobile showing lower sales in Eastern Canada during August, sales of Essex jumped from 67 in July to 168 in August, following the introduction to the motoring public of the new "Terraplane" model. Sales of all makes are down 25 per cent from the previous month, this being a better comparative showing than in 1931 when August sales were 33 per cent less than July, according to an analysis made by The Financial Post from figures compiled by Might's Directories and published in Canadian Automotive Trade.

Durant and Essex are the only makes to record increased sales compared with August a year ago, Durant thus maintaining the spurt which started in July this year. Introduction of a new model by Durant at the beginning of September should help to maintain this increase during September at least.

Sales in Eastern Canada in August totalled 2,573 compared with 3,396 in the same month of last year, a decrease of 24 per cent. This decrease, however, is much less than the decrease of 39 per cent in sales for the first eight months of this year compared with the same period of 1931.

Ford Gains on Chevrolet

Ford sales in August were 346 greater than those of Chevrolet and although Chevrolet still retains first place for total sales for the first eight months of the year, Ford has gained steadily during the past three months, or since the new models came on the market. Ford's lead of over 400 cars in Ontario is more than offset by higher Chevrolet sales in the other eastern provinces.

Plymouth and De Soto still remain the only makes with a better showing this year to date than in the same period of last year, with McLaughlin and Studebaker making the best showing among the other models. Two new cars this year, the Frontenac and Rockné, have taken the positions of Hudson, Nash and other cars which seem to have been practically eliminated by high tariffs.

The following table gives August sales of principal makes and sales by provinces:

AUTOMOBILE SALES IN EASTERN CANADA
(Most Popular Makes)

	Aug. 1932	Aug. 1931	8 Mos. 1932	8 Mos. 1931
Chevrolet	483	744	8,052	12,798
Ford	829	886	7,617	12,840
Plymouth	174	362	2,268	2,015
McL.-Buick .	97	130	1,709	2,463
Pontiac	117	209	1,597	3,749
Chrysler	66	136	899	1,828
Durant	130	116	879	1,569
Essex	168	93	852	1,754
De Soto	57	57	844	827
Dodge	40	86	805	1,378
Studebaker	39	69	687	988
Willys	69	81	685	1,129
Oldsmobile	53	104	575	1,329
Rockne	52	...	522	...
Frontenac	52	...	389	...

AUTOMOBILE SALES BY PROVINCES
(All Makes)

	Aug. 1932	Aug. 1931	8 Mos. 1932	8 Mos. 1931
Ont.	1,682	2,047	19,358	31,089
Que.	570	756	6,816	10,795
N. B.	142	262	1,528	2,861
N. S.	152	300	2,147	4,087
P. E. I.	27	31	171	549
Total	2,573	3,396	30,020	49,281

Livestock Receipts Show Activity

Receipts of livestock at the Union Stock Yards at St. Boniface during the month of August are reported by the Public Markets Limited as follows: Cattle, 23,474 head; calves, 3,396 head; hogs, 31,765; sheep, 10,103 and horses, 499—making 1,277 carloads in all.

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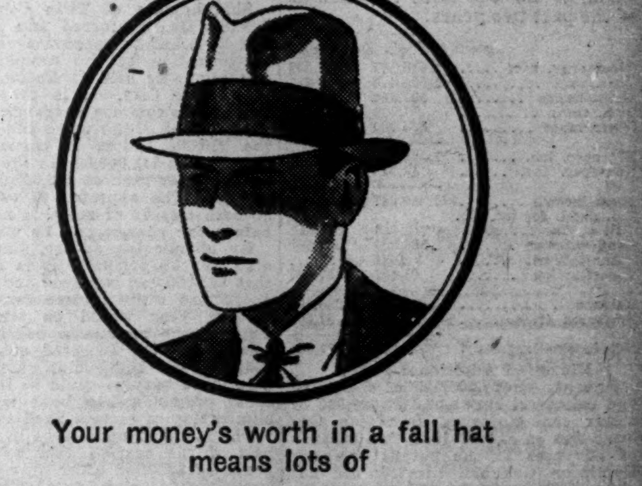

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Utilities and Transportation

DOMINION GAS ISSUES REPORT FOR HALF YEAR

Operating Revenue Shows Increase in Six Month Period

From Our Own Correspondent

MONTREAL.—Gross operating revenue of Dominion Gas and Electric Co. in the six months ended June 30, 1932, was $2,619,162 compared with $2,316,532 in the same period last year. After operating expenses and other charges and addition of non-operating income, gross income for the half year was $1,320,647 compared with $1,186,474.

After interest charges, depreciation and dividends on preferred stocks, balance available for interest, dividends and amortization of Dominion Gas and Electric Co. was $749,418, an increase of $101,000. After charges, net income for the period was $334,939 compared with $151,504 in the first half of 1931.

Report From Receivers

The report has been issued by the receivers of the parent company, American Commonwealth Power Corp., which has been in receivership since December, 1931. At the end of last year the parent company was indebted to Dominion Gas and Electric Co. to the extent of $396,000 for advances, a portion of which was represented by notes and the rest by open accounts. As security, American Commonwealth Power had deposited 10,000 preferred shares of American Gas and Power Co.

Following is a comparison of earnings for the first six months of the past two years:

	1932	1931
	$	$
Gross oper. rev.	2,619,162	2,316,532
Oper. exp.	1,003,418	863,291
Maintenance	101,354	122,444
Dom. taxes	75,000	42,302
Other taxes	163,290	182,894
Net oper. inc.	1,276,099	1,155,600
Non-oper. inc.	44,548	30,873
Gross income	1,320,647	1,186,474
Bal. avail. for int. etc.		
Dom. Gas	749,418	648,341
Bond interest	350,000	350,000
Other interest	3,078	......
Amortization	61,400	59,337
Balance	334,939	239,004
Preferred divds.	......	87,500
Net income	334,939	151,504

Borrowed Additional Funds

Interest on $8,000,000 of first lien and collateral bonds and $3,000,000 of 6 per cent notes of Dominion Gas came due on Jan. 1, 1932, and because of advances to the parent company Dominion Gas and Electric did not have sufficient funds to meet these interest charges. To meet its obligations Dominion Gas had to borrow $98,127 from outside sources and take advantage of the period of grace provided when the notes were issued. This loan was due April 1, 1932, together with $90,000 interest on the $3,000,000 of notes and the only avenue of relief for Dominion Gas and Electric was through the receivers of the parent company. The receivers in order to retain their equity in Dominion Gas provided securities to the latter company and were credited with $190,362 leaving an indebtedness of $212,036 still owing. To cover this liability Dominion Gas took notes dated April 11, 1932, which mature on Dec. 31, 1932.

Bank loans of Dominion Gas and Electric Co. are shown at $759,175 at June 30, 1932, a reduction of $127,325 from loans at Dec. 31, 1931. The receivership estate of American Commonwealths Power Corp. owns 28,243 shares of second preferred stock of Dominion Gas, or 67 per cent of the total, and 346,800 shares of the common stock which is 58 per cent of the total. In addition there is held an undetermined interest with American Commonwealths Power Associates, an affiliate in 18,000 shares of first preferred stock out of a total of 25,000 shares, and 23,750 additional shares of common stock.

Northwestern Power Bondholders Advised

From Our Own Correspondent

MONTREAL. — Bondholders of Northwestern Power Co. have again been circularized by David N. Finnie and Co. to the effect that substantial progress has been made toward formation of an independent protective committee. A meeting was recently held in Toronto, it is stated, at which the matter was thoroughly discussed and bondholders are asked to advise the Finnie Co. regarding the number of bonds they hold.

National Light August Output Made Advance

Net earnings of National Light & Power Co. in August showed the first improvement over the corresponding month of 1931 that has taken place this year. While the summer months are usually the slackest months in the year with a low demand from domestic consumers, net income in August was $15,134 or 1.51 times bond interest. In the eight months ended Aug. 31, 1932, bond interest was earned 1.9 times compared with 2.13 times in the corresponding period in 1931.

Gross earnings from operations in the first eight months of 1932 are reported at $330,233 compared with $353,950 in the corresponding period of 1931. While operating expenses have been reduced to $159,739 from $166,674. Taxes at $18,900 show a slight increase and net operating income was $151,594 against $169,027 in 1931. The net income of the company from merchandise sales and miscellaneous earnings showed a decrease and surplus after payment of bond interest amounted to $30,285 in 1932 against $68,263 in 1931.

During August the station output was 1,918,213 kw.h. which compares with 1,890,982 kw.h. in August, 1931. This represents the increase in kw.h. output of 1.44 per cent.

TWIN CITY TRANSIT MEETING IS CALLED

Would Wipe Out Par Value of Common; Effect Savings

Shareholders of Twin City Rapid Transit Co., preferred and common, will be asked to approve a change in capitalization of the company at a meeting to be held on December 5 in New York City. It is proposed to change the common shares from $100 par value to no par value and to carry the 220,000 shares of common outstanding at $11,000,000 in the balance sheet rather than at $22,000,000 as at present. The approval of two-thirds of both classes of stock is necessary before the change can be made.

By abandoning several lines operated by the company it is expected that $65,000 can be saved annually on operations while income tax for the current year would be eliminated. This would require a reduction of some $2,600,000 in fixed assets. By reducing the book value of the common stock surplus could be increased after provision had been made for elimination of certain fixed assets.

The result of operations in the first half of the current year was a net profit of $250,758 after provision for fixed charges and taxes. This compares with net profit of $334,242 in the first half of 1931. No dividend has been paid on the common stock since 1930.

Remove Sales Organizations

It is announced that when the Port Royal Pulp & Paper Company, new owners of the Nashwaak pulp and paper mill, renew operations at the local plant, the sales organizations of the two Madawaska companies, which have been at Van Buren, Maine, will be moved to Saint John.

Public Utility Earnings

Manitoba Power

	1932	1931	Incr.
July:	$	$	$
Gross earn.	123,046	98,204	24,842
Oper. exp.	21,732	26,095	*4,363
Net earn.	101,314	72,109	29,205
7 Mos. end. July 31:			
Gross earn.	868,841	711,250	157,591
Oper. exp.	173,833	172,967	866
Net earn.	695,008	528,283	156,725

*Decrease.

Canada Northern Power

	1932	1931	Incr.
July:	$	$	$
Gross earn.	278,398	269,334	9,064
Oper. exp.	89,994	89,027	967
Net earn.	188,404	180,307	8,097
7 Mos. end. July 31:			
Gross earn.	1,981,329	1,916,741	64,588
Oper. exp.	618,225	616,852	1,373
Net earn.	1,363,104	1,299,889	63,215

East Kootenay Power

	1932	1931	Incr.
July:	$	$	$
Gross earn.	37,441	40,624	*3,183
Oper. exp.	10,666	16,650	*5,984
Net earn.	26,775	23,974	2,801
4 Mos. end. July 31			
Gross earn.	142,489	167,672	*25,183
Oper. exp.	45,090	54,784	*9,694
Net earn.	97,399	112,888	*15,489

*Decrease.

Time..
will justify the investor's present faith in CANADA

A real turn in business is in the making and with sustained progress security values must enhance.

The following diversification affords safety, an interest return of over 6.15%, and opportunity for appreciation.

Province of Manitoba 5½% 1955
Canada Northern Power Corporation .. 5% 1953
Ottawa Valley Power Company 5½% 1970
McColl-Frontenac Oil Company 6% 1949
Shawinigan Water & Power Company .. 6% 1937

Full particulars on request

NESBITT, THOMSON
and Company Limited
355 St. James Street West, Montreal

Quebec Ottawa Toronto Hamilton London, Ont.
Winnipeg Saskatoon Calgary Victoria Vancouver

5

HIGHER PRICES FOR KRAFT IN U. S. NOT FELT HERE

Canadian Market Values Take Independent Course

From Our Own Correspondent

MONTREAL.—Recent announcement of Southern Kraft Corp. of the United States that its prices for kraft liner board would be advanced $2.50 a ton will find little, if any, reflection in Canadian prices. The Canadian market for kraft has been largely independent in the past year or so and prices have not tended to follow the trend in the United States.

In Canada, protection granted to the kraft manufacturer has been sufficient to exclude imports in any appreciable volume. United States manufacturers are reported to have been selling at very low prices, but application of duties has kept foreign kraft out of the Canadian market. Without this tariff Canadian mills would likely have been forced to close their plants, obervers say.

Prices Still Unsatisfactory

Kraft prices in Canada, therefore, though at prices which are considered far from satisfactory, are well above levels prevailing in the United States; in view of this situation it is thought that any increase in the American prices will not bear directly on the Canadian kraft values.

Export markets formerly served by Canadian manufacturers have been restricted for some time. Dryden Paper, which used to ship a certain amount of kraft to the East from Vancouver now confines its sales to Canada and in the domestic market serves Western Canada only.

CUT IN EXPENSES, EARLY ELECTION, FORECAST IN B. C.

Premier Tolmie Still Hopeful of Unloading P. G. E. Members

From Our Own Correspondent

VANCOUVER. — Politics continue to overshadow the business outlook in British Columbia, and at this writing the following developments are expected to materialize within the early future:

1. A definite offer from private interests to buy the Pacific Great Eastern Railway.
2. Implementing of several recommendations in the Kidd report, including reduction in the size of the legislature and the cabinet.
3. Reduction in the provincial government's expenditure amounting to at least $1,000,000 annually.
4. Summoning of a short session of the legislature early in January, at the conclusion of which there will be a provincial election.

Premier Tolmie has decided to postpone his promised reorganization of the cabinet, his plans having been severely interfered with by the refusal of W. J. Bowser, K.C., former Conservative premier, and T. D. Pattullo, Liberal leader, to join in a coalition.

Premier Tolmie expects that the long awaited deal for the Pacific Great Eastern Railway will be concluded within a few weeks. The name of the prospective buyer has not been disclosed. The government desires to unload the entire outstanding debt of more than $35,000,000 and also dispose of the original guarantees to the builders, amounting to some $20,160,000. Interest charges alone are more than $1,000,000 a year and to get rid of these would be an important gain.

Honored on Birthday

LT.-COL. J. B. MACLEAN
President of The MacLean Publishing Company, Limited, who attained his seventieth birthday on September 26. Col. Maclean started his business career as a commercial reporter fifty years ago; he founded his first paper, "Canadian Grocer," forty-five years ago and "The Financial Post" twenty-five years ago. Today 500 employees produce 28 MacLean papers, with 600,000 subscribers. At a gathering of his fellow executives, business managers and editors, he was presented with a sterling silver tray. Miss Priscilla Forbes, his first employee, who is still a member of the MacLean organization, made the presentation, following a brief address by H. Victor Tyrrell, general manager of the company.

However, the government is chiefly anxious to avoid the operating charges. Operating costs are now relatively small but sooner or later there must be extensive replacements.

Unless the buyers agree to extend the road into the Peace River country there will be no deal. At present the road begins at Squamish and ends at Quesnel and not a town on the entire line has a population of more than 700. Under these conditions the prospects for returning profits are slim indeed, but the rich promise of the Peace River as a grain and general agricultural region, the possibility of building up the lumber and pulp industry north of Prince George and of tapping the mineral resources of northern B. C. favor the road's extension northward.

According to reports now current, the government would insist on a substantial cash deposit, after which the purchasers would proceed to operate and extend the road to the Peace. Then the government would sell some 20,000,000 acres of land to the new company at about $1.50 an acre, to be paid for as the land is re-disposed of to settlers and industrialists. Most of this land would be in the Peace River block.

Regarding the outstanding obligations of the P. G. E. $20,160,000 represents the bonds of the original private company which the government guaranteed. In addition to this guaranteed stock the government has floated bonds of $15,233,646 to continue construction. Small amounts have been borrowed to take care of upkeep.

October Disbursements Will Total $15,957,057

Reduced by 46 p.c. Since 1930 — C. P. R. and Sun Life Are Chief Companies to Defer Payment of Dividends

Dividend disbursements by Canadian corporations during October will total $15,957,057 which compares with $24,280,743 in the corresponding month of 1931 and $35,885,965 paid out in October, 1930. The dividends paid during October usually exceed in amount those paid in any other month. In September, 1932, dividend payments totalled $16,049,340.

Chief among the Canadian corporations that are missing from the October list are the Canadian Pacific Railway which has deferred its usual semi-annual dividend payable in October until the full results of the current year's operations are known, and the Sun Life Assurance Co. Niagara Wire Weaving has deferred its preferred dividend and Canadian Wineries and Consolidated Bakeries have also deferred dividends.

The dividend rate of the Bank of Nova Scotia has been reduced to an annual basis of 14 per cent from 16 per cent and the Dominion Bank has reduced its annual rate from 12 per cent to 10 per cent. The class A and B shares of Building Products will pay an annual rate of $1 against $1.40 paid formerly. Other reductions in dividend rate include Charles Gurd & Co., Page-Hersey Tubes, Economic Investment Trust, Robinson Consolidated Cone, Chartered Trust Co. and Société de Prets. Wright-Hargreaves has declared an extra of 2½ cents per share and Dome Mines an extra of 10 cents.

Dividend payments announced for October have been compiled by The Financial Post as follows:

Summary of Payments

Dividends	$15,957,057
Bond interest	26,424,922
Total	$42,381,979

Dividend Payments

Company:	Rate	Date	Amount
Agnew Surpass, pfd.	1¾q	1	$17,053
Assoc. Brew.	15c.q	1	33,690
Do., pref.	1¾q	1	21,274
Bk. of N. Scotia	3½q	1	420,000
B. C. Elec. Pr., pfd.	1½q	1	75,000
Bell Telephone	1¾q	15	1,340,837
Brantford Cordage, pfd.	2q	20	34,098
Brazilian Tr., pfd.	1½q	1	5,901
Brit. Amer. Oil	20c.q	1	524,528
B. C. Power "A"	50c.q	15	500,000
Build. Prod. 'A' & 'B'	25c.q	1	30,211
Burt, F. N.	60c.q	1	64,504
Do., pref.	1¾q	1	1,089
Calgary Power, c.	1¼q	1	90,000
Canada Bread, 1st pfd.	1¼q	1	21,875
Canada Bud	25c.q	15	37,500
Canada Dry	30c.q	15	153,688
Can. Nor. Power	20c.q	25	75,000
Do., pref.	1¾q	15	96,250
Canada Life	$5q	1	50,000
Can. Packers, pref.	1¾q	1	105,585
Can. Perm. Mtge.	3q	1	210,000
Can. Canners, 1st pfd.	1¼q	1	68,356
Do., conv. pfd.	10c.q	1	36,373
Canadian Car, pfd.	43c.q	8	129,000
Can. Cottons, pfd.	1½q	4	54,922
Can. Gen. Elec.	$1q	1	188,845
Do., pref.	1¾q	1	149,759
Can. Gen. Invest.	10c.q	1	61,244
Can. Industries	87½c.	31	584,408
Do., pref.	1¾q	15	81,375
Can. Oil, pref.	$2q	1	40,000
Can. Pac. Rly., pfd.	2s	1	2,745,138
Can. Westinghouse	50c.q	1	270,000
Can. Wire. Box "A"	25c.q	1	17,988
Chartered Trust	$1q	1	10,000
Central Can. Loan	2½q	1	62,500
Confederation Life	$1q	1	10,000
Consumers Gas	2½q	7	351,380
Crescent-Creamery, pfd.	1¾q	15	17,500
Crown Trust	1¾q	1	17,500
Dome Mines	25+10c.q	20	350,000
Dominion Bank	2½q	1	175,000
Dominion Glass	$1.25q	1	53,125
Do., pref.	1¾q	1	45,500
Dom. Rubber, pref.	1¾q	1	52,500
Dominion Stores	30c.q	1	84,714
Dom. Textile	1¼q	1	337,500
Do., pref.	1¾q	15	33,960
East. Dairies, pfd.	1¾q	15	43,750
East. Steel Prod., pfd.	1¾q	1	7,031
Eastern Trust	2q	1	20,000
Economic Inv. Trust	87½c.s	1	14,971
Edmonton C. Dairy, pfd.	1¾q	1	12,788
Fanny Farmer, pfd.	60c.q	1	9,454
Freiman, A. J., pfd.	1¾q	1	14,056
General Trust, pfd.	1¾q	1	16,500
Goodyear Tire	$1.25q	1	160,787
Do., pref.	1¾q	1	128,551
Gt. West Life	5q	1	50,000
Greening Wire, pfd.	1¾q	1	11,375
Gurd, Chas.	25c.q	1	15,000
Do., pref.	$1.75q	1	4,550
Guar. of N. Amer.	$1½+$2½	15	24,368
Hollinger Gold Mines	5c.	6	246,000
Holt Renfrew, pfd.	1¾q	1	17,500
Highland Dairy, pfd.	$1.75q	1	3,263
Home Investment	$1q	1	9,964
Howe Sound	10c.q	15	48,119
Hunts "A" & "B"	25c.q	1	8,414
Imperial Life	$3.75q	1	37,500
Huron & Erie Mtge.	2q	1	100,000
Inter. Hyd.-Elec., pfd.	87½c.q	15	126,699
Inter. Utilities, pfd.	43¾c.q	15	40,255
Invest. Foundation, pf.	37c.q	15	12,711
Jamaica P. Serv. pfd.	1¾q	1	17,500
Do., com.	25c.q	1	11,250
La Societe de Prets	$1.50q	1	12,000
Landed Bkg. & Loan	2q	1	20,000
McColl Fron., pfd.	$1.50q	15	117,102
Maritime Tel. & Tel.	20c.q	1	71,079
Do., pref.	17½c.q	1	26,250
Mid. & Pac. Gr. 1st pf.	1½q	1	7,962
Mitchell, J. S., pref.	1¾q	1	5,950
Monarch Mtg. & In., pf.	10c.	15	4,587
Mtl. City & D. Bk.	3q	1	60,000
Montreal Telegraph	80c.q	15	40,000
Montreal Tramways	2½q	15	175,000
Mtl. L. H. & Pr.	37c.q	31	1,662,055
Moore Corp. pfd. 'A'	$1.75q	1	57,587
Do., pref. "B"	$1.75q	1	29,359
Nat. Breweries	40c.q	1	288,548
Do., pref.	44c.q	1	48,840
National Life	62½c.q	1	6,250
Nat. Steel Car	20c.q	1	26,000
National Trust	3q	1	90,000
N. B. Telephone, c.	15c.	15	79,288
Nor. Ont. Power	50c.q	25	120,007
Do., pref.	1½q	25	37,489
North Star Oil. pfd.	1¾q	1	17,500
N. S. Light & Pr., c.	$1	1	34,523
Ogilvie Flour, c.	$2q	1	150,000
Ont. Loan & Deb.	$1.50q	1	60,000
Ottawa L. H. & Pr.	1½q	1	52,500
Do., pref.	1¾q	1	24,375
Page Hersey	75c.q	1	130,689
Do., pref.	1¾q	1	822
Perfection Pete., pfd.	87½c.q	1	3,687
Pioneer Gold, B.C.	3c.q	1	52,552
Porto Rico Pr., pfd.	1¾q	1	17,500
Power Corp., pfd.	$1.50	15	75,000
Do., 2nd pref.	75c.q	15	75,000
Premier Gold Mines	3c.q	5	150,000
Provincial Paper, pfd.	1¾q	1	61,250
Riverside S. Mills "A"	25c.q	1	7,500
Robinson Cons. Cone	25c.q	1	12,500
Sher.-Williams, pfd.	1¾q	1	60,550
Silverwood's Dairies, pfd.	1¾q	1	58,318
So. Can. Power, pfd.	1½q	15	101,895
Standard Fuel, pfd.	1¾q	1	22,506
Standard Steel, pfd. 'A'	75c.q	1	7,842
Sterling Pacific Oil	2½c.	15	23,122
Supertest Pete., com.	25c.q	1	6,250
Do., ord.	25c.q	1	21,250
Do., pref. "A"	1¾q	1	6,037
Do., pref. "B"	1½q	1	3,000
Tamblyn, pref.	1¾q	1	9,425
Thayers, pref.	87½c.q	1	8,750
Thrift Stores, 1st pfd.	1¾q	1	5,687
Do., 2nd pref.	1¾q	1	2,100
Toronto Elevators, pfd.	1¾q	15	26,250
Tip Top Tailors, pfd.	1¾q	1	28,479
Toronto Gen. Trusts	2½q	1	75,000
Toronto Mortgage	3q	1	29,595
Tuckett Tob., pfd.	1¾q	15	35,000
Union Trust	1¼q	1	12,500
United Securities	50c.q	15	25,680
Viau Biscuit, 1st pfd.	1¾q	1	17,500
Weston, Geo., c.	25c.	1	12,500
West Koot. Pr., pfd.	1¾q	1	8,750
Western Grocers, pfd.	1¾q	15	20,893
Wr't-Hargreaves	2½+2½c.q	1	275,000
Total			$15,957,057

q—Quarterly.
s—Semi-annually.

BOND INTEREST DUE IN OCTOBER

Company:	Rate	Int. Date	Due	Amount
Arnolds	6	1	1947	$20,745
Atlantic Sugar	5	1	1941	88,780
Amer. Salesbook	6	1	1939	17,010
Bay-Cumber. Corp.	6½	1	1944	7,247
Balfour Bldg.	6	1	1943	23,409
Bolivian Pr. "A"	8	1	1945	62,000
Booth Bldg.	6½	1	1937	19,500
Brand.-Henderson	6	1	1936	5,088
Calgary Power	5	1	1960	250,000
Canada Steam "A"	6	1	1941	529,980
Can. Cons. Felt	6	1	1940	5,880
Can. Int. Inv. Trust	5	1	1959	50,625
Can. Pac. Rly.	5	15	1934	300,000
Can. West. Nat. Gas	5	15	1936	18,285
Carleton House	6½	1	1947	1,534
City Gas of London	6	1	1947	7,005
Can. Nat. gtd. gold	5	1	1969	1,500,000
Can. Nor. Pac. 1st mtge.	4	2	1950	328,240
Can. Nor. Pac. 1st mtge. term	4½	2	1950	193,815
Can. Cons. Rubber	6	1	1946	78,000
Devonshire Apts.	6½	1	Serial	12,025
Dom. Canners	6	1	1940	31,404
Dom. Tug & Barge	7	1	1947	7,375
East. Koot. Pr. "A"	7	1	1942	65,835
Do., "B"	7	1	1942	10,080
Famous Players	6	1	1948	163,965
Do., debs.	6½	1	1948	91,731
Gatineau Pwr. "B"	6	1	1941	225,000
Gen. Brock Hotel	6	1	1948	29,100
Gould Mfg. "A"	6	1	1942	11,130
Gt. Brit. & Can. Inv.	4½	1	1959	115,807
Hamilton Cot. "A"	5½	1	1948	25,575
Inter. Hydro-Elec.	6	1	1944	900,000
Investors Equ. "A"	5½	1	1949	16,500
Kensington Man. Ap.	7	20	Serial	2,677
Legare, P. T.	6	1	1977	21,000
McColl-Front. "A"	6	1	1949	293,400
Massey-Harris	5	15	1947	230,000
Midland Pac. Term.	6½	1	1943	10,991
Mon. L. H. & Pr.	5	1	1951	719,800
Do., (Lachine)	5	1	1933	77,225
Mont. Tram. A B D	5	1	1955	630,080
Do., "C"	4½	1	1955	54,969
Nat. Bis. & Conf.	6½	1	1950	5,200
National Realty	7	1	1945	8,750
Nor. Ont. Bldg.	6½	1	1939	26,601
Ogilvy Realty	5½	1	1951	34,375
Ott. Vall. Pr.	5½	1	1970	247,500
Ott. L. H. & Pr.	5	1	1957	101,912
Pacific Burt	6½	1	1937	5,102
Railway Ex. Bldg.	6½	1	1942	14,625
Rio de Janeiro	5	1	1958	477,302
Shawinigan "D"	4½	1	1970	427,770
Shawinigan "A"	4½	1	1967	774,787
S. Can. Pr. "A"	5	1	1955	150,000
Spruce Falls Pr.	5½	1	Serial	357,500
Tooke Bros.	7	1	1942	9,054
Trinity Apts.	6½	1	1947	5,200
Victoriaville Furn.	6½	1	1936	2,291
Westminster Paper	6½	1	1950	9,750
Wpg. El. Ref. Mtg.	5	2	1954	102,500
Do.	6	1	1954	210,000
Woods Mfg.	6	1	1943	22,200
York St. Bldgs.	6	1	1943	7,521
Corporation bonds				10,263,252
Municipal bonds				*5,541,670
Provincial bonds				*3,820,000
War loan ref.	5	15	1943	3,675,000
Do., refunding	4½	15	1944	1,125,000
Dom. loan	4	1	1960	2,000,000
Total				$26,424,922

*Figure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

Maritime Telephone Station Loss Totals 237 in August

From Our Own Correspondent

MONTREAL.—Maritime Telegraph and Telephone Co., operating in Nova Scotia, report a further decline in subscribers' stations at the end of August. At that time the company had installed 39,974 stations, as against 40,211 at the end of the previous month, a decline of 237. Connecting companies reported a decline in stations from 6,604 at the end of July, to 6,593 at the end of August, while the Island Telephone Co. (operating on Prince Edward Island) reported a loss of 11 stations to 5,736 at the close of August. The aggregate net loss of Maritime Telephone, connecting companies, and the Island Telephone Co. for August, amounted to 259 stations.

Toll traffic report of Maritime Telephone for the month ending August 20, showed an improvement. There were 126,046 calls of which 117,344 were completed and only 8,702 lost. The average percentage of completed toll traffic for class "A" exchanges was 92.1, class "B' exchanges 95.4, and for the system as a whole 93.0.

Weekly Bank Clearings

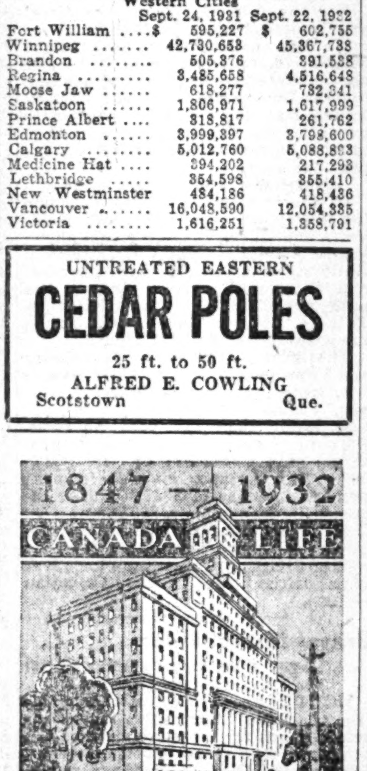
Eastern Cities

	Sept. 24, 1931	Sept. 22, 1932
Halifax	$ 2,656,437	$ 1,917,996
Saint John	2,314,501	1,428,243
Moncton	689,347	591,230
Sherbrooke	648,288	554,327
Quebec	4,532,488	3,564,388
Ottawa	5,605,362	4,208,678
Montreal	100,046,614	71,612,700
Kingston	688,854	598,969
Peterboro'	805,381	554,526
Toronto	86,309,302	79,514,837
Hamilton	4,567,884	3,944,879
Kitchener	923,666	892,419
Brantford	848,457	698,750
London	2,307,087	2,505,588
Chatham	388,825	369,284
Windsor	2,321,741	2,142,747
Sarnia	424,277	386,033
Sudbury	619,571	[illegible]

Western Cities

	Sept. 24, 1931	Sept. 22, 1932
Fort William	$ 595,227	$ 602,755
Winnipeg	42,730,658	45,367,738
Brandon	505,376	391,538
Regina	3,485,658	4,516,648
Moose Jaw	618,277	732,341
Saskatoon	1,806,971	1,617,999
Prince Albert	313,817	261,762
Edmonton	3,999,397	3,798,600
Calgary	5,012,760	5,088,893
Medicine Hat	394,202	217,293
Lethbridge	354,598	355,410
New Westminster	484,186	418,436
Vancouver	16,048,590	12,054,385
Victoria	1,616,251	1,358,791

UNTREATED EASTERN
CEDAR POLES
25 ft. to 50 ft.
ALFRED E. COWLING
Scotstown Que.



1847 — 1932
CANADA LIFE
EIGHTY-FIFTH ANNIVERSARY

Canadian Pacific Cuts Senior Officers' Salaries

From Our Own Correspondent

MONTREAL. — A further cut in salaries of Canadian Pacific Railway officers of the higher grade went into effect on Oct. 1. Under the arrangement, the president, directors and members of the executive committee all received a salary cut of 15 per cent, while in the case of all general, district, divisional and departmental officers, the reduction is 10 per cent.

An additional 500,000 shares of common stock of Canadian Pacific Railway will be listed on the Montreal Stock Exchange on official notice of issuance in exchange for convertible, ten year, six per cent collateral trust bonds. The total number of shares then listed will be 13,900,000 shares of par value $25.

Retail Business in Montreal

The thirteen municipalities which go to make up Greater Montreal transacted nearly a half billion dollars worth of retail business in the year 1930, according to a preliminary tabulation for the Census of Merchandising and Service Establishments — the exact figure being $454,827,200. Of this total, Montreal City accounted for $423,035,600 and Verdun, $12,800,600.

$150,000
Vancouver (Point Grey)
5% Bonds to yield 5.80%

City of Vancouver
(Issued by the District of Point Grey)
5% Bonds due January 1st, 1943.
Price: 93.77 and interest, to yield 5.80%.

These bonds are a direct obligation of the City of Vancouver, although issued by the District of Point Grey, a wealthy residential section of Vancouver.

Orders may be telephoned at our expense.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg
Vancouver New York London, Eng.

A FEW CENTS A DAY
may mean the difference between
SORROW
and
SAFETY
for the rest of her life

If you could look into the years to come, which side of the picture would you see—your wife and family in comfortable, happy circumstances—or worried, without money, in actual want? It is easy for you to guarantee their future—and it costs you so little. The Great-West Life now offers complete family protection at a rate that will not strain the smallest of incomes.

The Great-West Minimum Cost Policy

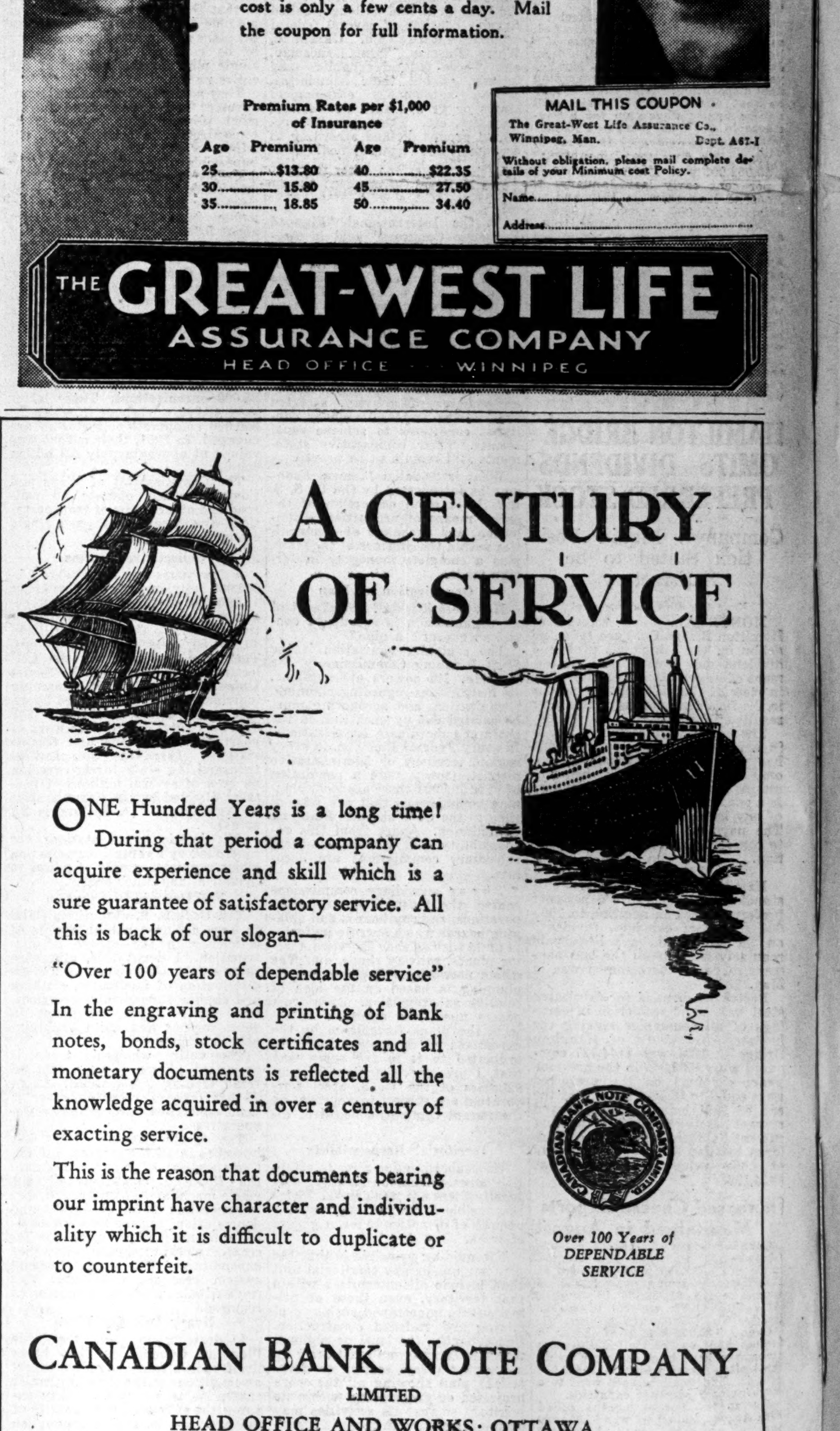
enables you to carry more insurance than would be possible with any other form of life plan. It safeguards your dependents from financial care, yet the cost is only a few cents a day. Mail the coupon for full information.

Premium Rates per $1,000 of Insurance

Age	Premium	Age	Premium
25	$13.80	40	$22.35
30	15.80	45	27.50
35	18.85	50	34.40

MAIL THIS COUPON
The Great-West Life Assurance Co.,
Winnipeg, Man. Dept. A67-I
Without obligation, please mail complete details of your Minimum cost Policy.
Name..........
Address..........

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE — WINNIPEG



A CENTURY OF SERVICE

ONE Hundred Years is a long time! During that period a company can acquire experience and skill which is a sure guarantee of satisfactory service. All this is back of our slogan—

"Over 100 years of dependable service"

In the engraving and printing of bank notes, bonds, stock certificates and all monetary documents is reflected all the knowledge acquired in over a century of exacting service.

This is the reason that documents bearing our imprint have character and individuality which it is difficult to duplicate or to counterfeit.

Over 100 Years of DEPENDABLE SERVICE

CANADIAN BANK NOTE COMPANY
LIMITED
HEAD OFFICE AND WORKS: OTTAWA
TORONTO—*BRANCHES*—MONTREAL

News of Investment Markets

PROVINCES TAKE QUICK ADVANTAGE OF BOND MARKET

Issues Sell Well at Highest Prices of Current Year

FEDERAL ISSUE IN N.Y.

Provincial and Municipal Borrowers Try to Fill Needs Before Dominion Loan

In rapid succession the various provinces are taking advantage of an improved bond market to complete their financial requirements for the year before the forthcoming Federal loan is floated. Manitoba, New Brunswick, Saskatchewan have all come into the market, Alberta is an early prospect while British Columbia is mentioned. Federal refunding to the extent of $60,000,000 consummated in New York, while not unexpected, gives definite assurance of a smaller domestic offering than would otherwise be necessary.

The Dominion Government has placed an issue of $60,000,000 4 per cent one-year notes payable in gold through Chase, Harris Forbes Corp. and a New York syndicate. Due October 1, 1933, the issue was offered at par on September 27 and was quickly over-subscribed. The first large foreign flotation to be sold in New York this year the rapid over-subscription of the loan indicates a material return of confidence in Canada on the part of United States banks. Proceeds of the loan will be used to retire $40,000,000 of 4 per cent treasury notes maturing December 1 and a $19,000,000 short term loan negotiated for the Canadian National Railways.

Coupon Rate Reduced

The new provincial flotations of the past ten days have carried a 5 or 5½ per cent coupon rate whereas previous loans carried a 6 per cent coupon. The $4,000,000 Manitoba issue offered on September 21 to yield 5¾ per cent was quickly over-subscribed and quoted at a premium. The effect of this offering was to stimulate prices of western provincial bonds which have lagged behind other provincial issues for some time. The recent Manitoba issue was in marked contrast with the $5,000,000 issue of Manitoba 6's offered in May to yield 6½ per cent and which took several months to place with investors. The difference between the sale of the two issues reflects the substantial improvement that has taken place in the bond market since May and June.

The New Brunswick issue of $1,850,000 5's due October 1, 1957, offered on September 26 to yield slightly over 5 per cent sold less rapidly than the preceding Manitoba issue but is now selling at a premium. This is the third domestic loan New Brunswick has issued this year. The first loan amounting to $5,062,000 was offered to yield 5¾ per cent early last January; the second loan came in May and was for $5,000,000 priced at 95.60 to yield 5.90 per cent. In addition a sterling issue of $1,400,000 5's was placed in England during April.

More Municipals Appear

Saskatchewan is now in the market for the second time this year with an issue of $2,500,000 5½'s due 1952 which are offered to yield 5.8 per cent as compared with a 6½ per cent yield on the March issue of $4,000,000 6's. Following the Saskatchewan issue a moderate sized Alberta issue is anticipated. Some increase is noted in the number of municipal issues coming into the market. Bidding has been keen for the better municipal bonds so offered and some such as Belleville and Middlesex County have secured excellent prices. It is noticeable however that the spread between high and low tenders on the better bonds has been wide and that few or no bids have been made on the less desirable municipal issues offered.

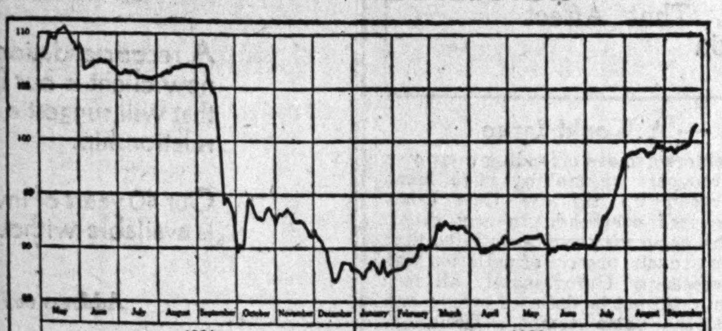
Each successive week brings closer the Federal loan and lessens the time in which provinces and municipalities can issue bonds since investment houses will concentrate on the Dominion bonds to the exclusion of others. Details of the Dominion financing are as yet unknown but it would appear that with present exchange rates on sterling any financing would have to be done in Canada or New York. With $60,000,000 of financing already accomplished a domestic loan of $100,000,000 to $150,000,000 seems a possibility despite statemenas from Ottawa officials that $50,000,000 is the maximum. Much will depend upon developments in the bond market and in exchange rates but on the basis of present conditions a 4½ per cent seems feasible.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Dominion Glass	*6%	1933	Dec. 2	110

*Called in part.

Course of Canadian Bond Prices



The above chart of the composite daily prices of Dominion of Canada bonds, prepared by A. E. Ames & Co., shows the unprecedented drop of September, 1931, and the rapid recovery of recent months.

Say Underlying Causes Now Justify Appreciation In Higher-Grade Bonds

Fundamental Forces Have Caused Rise of Recent Months; England Led Constructive Action; Confidence Returning; Central Bank Rates Best Indicator

A Brief Study of Origins of Strength in the Bond Market Issued by A. E. Ames & Co.

In the last three weeks of July this year Canadian high-grade bonds had the largest rise in price for any single month in a decade. It must be evident that such a recovery, the persistence of steady prices throughout August and early September and the recent resumption of the rise are due to the operation of fundamental forces rather than to transitory factors.

In order to trace a course through the basic changes which have been occurring it is necessary to look back to the midsummer of 1931. There were few who saw in the gradual disintegration of Central European finance at that time a prelude to the financial earthquake which was soon to send its tremors throughout the world. Indeed in the early months of 1931 the high-grade bond markets were pursuing the familiar course of strengthening in price as unused banking and business funds found an outlet in securities. As late as May, 1931. Dominion of Canada bonds attained their highest level since pre-war days.

Crisis in Europe

On May 11, 1931, the breakdown of the powerful banking institution, the Kreditanstalt in Vienna, was revealed and as the banking crisis swept northward in Europe the bond markets on this continent began to yield to pressure. In June and July, Germany, her banks, her people and her government were struggling through a severe economic and political crisis as enormous recalls of foreign credits and internal withdrawals of deposits reduced the gold reserves of the Reichsbank. Still later came the revelation of a serious deficit in the British budget and, after formation of a National Government, the suspension of the gold standard on September 21, 1931.

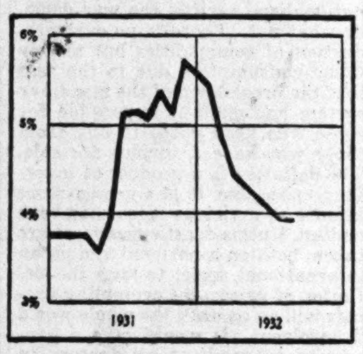
Faced with this combination of adverse factors Canadian bonds, like those in all other countries, fell precipitately in September and were to reach even lower levels in December as the American banking crisis intensified. At this point, however, two cross currents were revealed. In Europe the financial situation improved perceptibly after Great Britain had taken the final step of departing from gold; in the United States the financial situation steadily deteriorated as banks failed, deposits were withdrawn, currency was hoarded, gold flowed out of the country and the budget deficit widened.

Correctives Applied

Without entering into the details of European improvement it can be said that emergency decrees and dictatorial supervision have maintained Germany's position more or less in statu quo and the constructive efforts of Great Britain have initiated a considerable improvement in European sentiment. In the latter country measures of financial reconstruction were energetically undertaken. With the election of a national government confidence was re-established and within the past year external borrowings for the support of the pound sterling have been repaid, short-term money rates for treasury borrowings have been reduced to the lowest level in the history of Lombard Street, the British budget has been balanced, an exchange equalization fund has been established and at Lausanne and elsewhere Great Britain has been in the fore-front of efforts to achieve international co-operation.

Probably the most significant indicator of the marked change and growing confidence in European affairs is found in the course of central bank money rates. With reservations as to detail, the movement of these rates represented the intensity of emergency demands for funds by banks and governments. In the accompanying chart is shown the course of an average of the discount rates of Austria, Great Britain, France, Germany, Hungary, Netherlands and Switzerland, and of the Federal Reserve Bank of New York. The gathering of the financial storm in Europe was accurately reflected in the rise in the average in 1931. Similarly the passing of the storm was signalized by a rapid fall in money rates.

Under usual circumstances the passing of the tension and the widespread decline in short-term interest rates would have found an immediate response in rising bond prices. In this instance the severity of the shock made investment capital exceedingly timid and it was not until March that British gilt edge securities had a convincing rise. Meanwhile in the United States the banking crisis was deepening and it was only through a combination of internal emergency measures and legislation and the evidence of success at Lausanne and the triumphant course of the British Conversion Loan that pressure was lifted.



The monthly average of Central Bank discount rates from January, 1931, to September, 1932, indicates a return to more normal conditions in recent months.

The response to changed money conditions, while it has been belated on this continent, has been convincing. Throughout Europe anxiety and fear have been partially displaced by constructive action; in the United States the tide of banking liquidation has been stemmed. The reflection of forward strides of a fundamental and not of a transitory nature is found in the downward course of money rates and the upward trend of bond prices. These basic improvements are the origin of strength in the bond markets.

It is not the part of wisdom to prophesy in a changing and unsettled world. Yet it is clear that a continuation of present constructive endeavor would impart further strength to financial conditions in Europe, and lead to a transition in the United States from what have been artificially easy money conditions, based on Federal Reserve support, to actual monetary ease, based on the return of hoarded currency to American banks.

We express a conviction that rising quotations for bonds have been justified by underlying causes.

Financial Advertising Takes Lead in Returns

From Our Own Correspondent

MONTREAL.—Trend of newspaper advertising in 52 large American cities, as compiled by Media Records Inc. and published by Editor and Publisher, was on about the same level in August as in July, compared with the corresponding month of last year. Divided into the five principal categories, the returns indicate that retail advertising is somewhat less at present. General advertising has held at a fair level, August indicating a slight upturn compared with July.

Financial advertising is the brightest spot in the report. Since last April there has been a steady pick-up and the August total was the highest for any month this year. Classified has dropped off a little, but is still around 80 per cent of last year's mark.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	% Yield
Westminster Paper	July 31	19,970	21,336	0.42	0.46	...	22,904	21,836			
Western Grain	July 31	†......	*162,411	...	...	...	263,372	268,372	...	...	...

*Deficit. †Profit of $265,137 covered bond interest charges of $201,236 leaving $63,901 which was applied on depreciation of country and terminal elevators.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Sackville, N.B.	Sept. 17	J. M. Robinson & Co.	6%	40-yr.	$20,000	104.30	5.73%
Belleville, Ont.	Sept.	A. E. Ames & Co.	6%	20&30 yr.ser.	113,162	105.16	5.43%
Glencoe, Ont.	Sept.	Midland Securities	6%	1962	28,500	*100	.....
Yarmouth, N.S.	Sept.	Royal Securities	5½%	1952	100,000	99.65	5.53%
Lunenburg, N.S.	Sept.	J. C. Mackintosh & Co.	5½%	20-yr.	30,000	100.214	5.40%
Montreal Convalescent Home	Sept.	Hanson Bros.	5%	Serial	100,000	.....	*5.65%
Provincial							
Saskatchewan	Sept.	Royal Bank, Can. Bank of Commerce, Dominion Securities, Wood, Gundy & Co., A. E. Ames & Co.	5½%	1952	2,500,000	*96.48	5.80%
New Brunswick	Sept.	Bk. of Montreal, Royal Bank, A. E. Ames & Co., Dominion Securities, Wood, Gundy & Co., Eastern Securities	5%	1957	$1,850,000	*99.75	5.05%
Dominion							
Dominion of Canada	Sept.	Chase-Harris-Forbes Corp. and U. S. Syndicate	4%	1-yr.	$60,000,000	**100	4%

* Offering price. **In New York.

BRITISH MILLERS SEE DIFFERENTLY ON OTTAWA MEET

Opinions Differ on Value of Tax on Dominion Flour

From Our Own Correspondent

MONTREAL.—Majority of British millers are not altogether satisfied with the outcome of the Imperial Economic Conference held at Ottawa. London correspondent of the North West Miller says that disappointment is felt because the Ottawa conference failed to impose a duty on Dominion flour to compensate for the duty of two shillings per quarter on non-Empire wheats. Millers claim that as they will have to pay more for foreign wheat, and also for Empire wheats, owing to the preference given on the latter, that in all fairness a compensating duty should have been imposed on Dominion flour.

One Side of Picture

The Liverpool milling publication, Milling, has the following to say in support of this contention:

"At first sight, the fact that the British delegation had agreed to a tax of 2s per qr on foreign wheat and the entire absence of any information as to the flour trade would naturally occasion disappointment among flour millers. We have, however, to remember that it was not a detailed but a general statement that was published, and it is quite possible that a clause or clauses in the agreement affords some protection not dsclosed in that statement. After all, if foreign wheat is to be made dearer to the extent of 2s per qr (or 1s 8d per sack of 280 lbs. of flour), we may depend upon it that Dominion wheat will also be that much dearer, and this extra charge, together with the flour levy of 2s 3d per sack and prospective higher charges on heavy motor vehicles, will naturally be reflected ultimately in the price of bread. Obviously, the government cannot keep on piling up costs without finding that it is also adding to the cost of living."

Other Side of Picture

All British millers do not see eye to eye on the matter, however, and Andrew Law, of Crawford and Law, Glasgow millers, has the following comments to make:

"The British millers have for long years enjoyed 90 per cent of the flour trade in Great Britain. A mere 10 per cent came from over-sea sources. Approximately the half of this 10 per cent coming from foreign sources was shut off by the Runciman tariff, which came into effect on March 1. The remaining 5 per cent which came from the Dominions would have been excluded by the same tariff from Nov. 15 onward. The Dominion millers, quite naturally, resisted this simple scheme, and their views prevailed at the Ottawa conference.

"Millers and Milling argue that there is something unjust in this to the British miller. Milling apparently assumes that the tariff on foreign wheat will have the effect of raising the price of Canadian wheat to the British miller. Whether that is so or not remains to be seen in face of the competition of many foreign sellers, all desirous of sharing in the British market. Granted, for the sake of argument, that the price of Dominion wheat is raised to the British miller, it is also raised precisely to the same degree to the Canadian miller, so that the position between the two sets of millers continues as it was. Where then, is the injustice to the British miller?"

NEW BRUNSWICK BONDS ON MARKET

Bank of Montreal Heads Syndicate Selling Issue at 99.75

MONTREAL. — Province of New Brunswick 25 year five per cent sinking fund debentures, to the extent of $1,850,000 are being offered by a syndicate headed by the Bank of Montreal and including the Royal Bank of Canada, A. E. Ames and Co., Dominion Securities Corp., Wood, Gundy & Co, and Eastern Securities Co.

These debentures are payable, both as to interest and principal in Canadian funds only and mature October 1, 1957. They are a direct primary obligation of the province and are a charge upon the consolidated revenue fund. They are exempt from municipal, civic and school taxation, and are free from all taxes imposed by the province, excepting succession duties.

Proceeds of this issue will be applied by the Province in the repayment of indebtedness incurred with respect to capital expenditures on permanent roads and the New Brunswick Electric Power Commission. The offering price of the issue was 99.75 and accrued interest to yield over 5 per cent.

Bond Sales

BELLEVILLE, ONT.

A. E. Ames & Co. has been awarded $113,162 6 per cent serial debentures of the City of Belleville, Ont. at 105.16, a cost basis to the city of 5.43 per cent. Of the total $63,215 matures in 20 serial installments and $49,947 matures in 30 serial installments. Offering was made at a price to yield 5¼ per cent. Bids for the issue were as follows:

1	A. E. Ames & Co.	105.16
2	Fry, Mills, Spence & Co.	105.092
3	Milner, Ross & Co.	104.37
4	Wood, Gundy & Co.	104.19
5	Bell, Gouinlock & Co.	103.21
6	J. L. Graham & Co., Bank of Commerce	103.147
7	Harrison & Co.	101.937
8	R. A. Daly & Co., Hanson Bros.	101.82
9	H. R. Bain & Co.	101.35
10	C. H. Burgess & Co.	101.033

SACKVILLE, N.B.

J. M. Robinson & Co. has been awarded $20,000 6 per cent debentures of the town of Sackville, N.B., maturing in 40 years, at 104.30, a cost basis to the town of 5.73 per cent. Bids for the issue are reported as follows:

1	J. M. Robinson & Co.	104.30
2	W. C. Pitfield & Co.	101.75
3	Dominion Securities Corp.	101.58
4	Eastern Securities Corp.	101.28
5	Irving, Brennan & Co.	100.89
6	T. M. Bell & Co.	99.76
7	Royal Bank of Canada	99.537

Bond Tenders

12 o'clock noon, Sept. 30, Town of Port Hope—$13,097, 20 installments, 5 per cent debentures. A. Mark, clerk and treas.

12 o'clock noon, Oct. 3, Preston, Ont.—$30,000, 6 per cent 20-installment waterworks debentures; $27,000, 6 per cent 10-installment unemployment relief works debentures. E. G. Heise, clerk and treas.

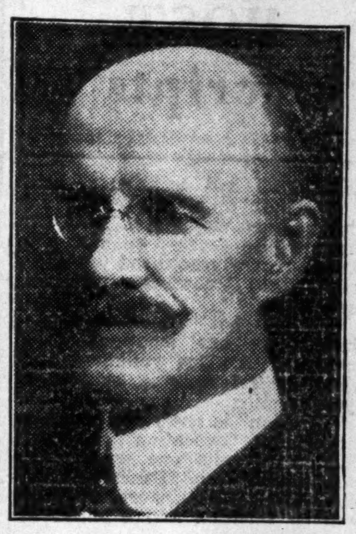
12 o'clock noon, Oct. 5, County of Essex—$135,000, 6 per cent 10-year highways debentures. J. F. Millen, county treas., Sandwich. (See announcement on page 8).

Oct. 12, School Commissioners of Montreal East—$76,000, 6 per cent, 5-year serial bonds. J. A. Forest, sec.-treas.

Noon, Oct. 4, Welland, Ont.—$107,865, 5½ per cent 20-installment and $28,720 5½ per cent installment debentures. R. F. Curtin, treas.

4.45 p.m., Sept. 30, Niagara Falls, Ont.—$130,000, 6 per cent 20-installment debentures. H. E. Goddard, city manager.

Chamber President



JOHN W. ROSS, LL.D.

Recently elected president of the Canadian Chamber of Commerce, is seen above in his most recent photograph. The new chamber president is a member of the old established Montreal accountancy firm of P. S. Ross & Sons and has served the chamber from its inception, for some years as honorary treasurer. Mr. Ross, like other distinguished members of his family, is a notable golfer and curler.

Northwestern Power Bond Deposit Nears 50%

From Our Own Correspondent

MONTREAL.—Nearly 50 per cent. of the $10,000,000 6 per cent, Series A, first mortgage bonds have been deposited by the holders with the Bondholders' Protective Committee sponsored by the banking firms who underwrote the issue and headed by J. B. Woodyatt.

In an official statement issued by the committee it is said that to date $4,920,000 have been deposited under the deposit agreement dated July 25, 1932. Preliminary investigations are being conducted into the affairs of Northwestern Power and the guarantor company, Winnipeg Electric. The committee stresses the inadvisability of carrying out hurried and ill-considered action and that as soon as full reports have been received, a plan will be submitted to the bondholders. If the holders of the first mortgage bonds are not in favor, they can withdraw their proxies, without cost, within 30 days after the filing of the plan.

CAN. CELANESE ON PAR WITH '31

Earnings on Preferred Near $9 a Share — Better Buying

From Our Own Correspondent

MONTREAL.—Sales and earnings of the Canadian Celanese Ltd. for the first half of the year are reported to have been on a better basis than for the corresponding period of 1931, though returns for July and August have not been quite so satisfactory. Preliminary reports for September, on the other hand, are more favorable, indications pointing to a record production and sales.

Interim figures on earnings, while subject to adjustments, show net profits to date on the preferred on about the same level as last year, or around $8.95. This compares with dividend requirements of $7 a share.

Plant operations at Drummondville are now being carried on on a full time basis. Advance in the raw material market has necessitated some adjustment in the company's prices to the trade and these have been increased recently in varying degrees.

The situation in the celanese business has been similar to that in other branches of the textile industry. A weak raw material market induced hand-to-mouth buying on the part of wholesalers and jobbers, with the result that the rebound in the value of raw materials, found inventories unusually low, and led to a stimulation of buying.

Financial position of the company has been well maintained this year, with working capital now in excess of $3,000,000.

Montreal Hospital Bonds Sold to Yield 5.65%

From Our Own Correspondent

MONTREAL.—An offering of $100,000, 5 per cent, first mortgage serial bonds of Montreal Convalescent Home is being made by Hanson Bros. Inc. The bonds mature in series from October 1, 1933 to 1952, and are being sold at prices to yield 5.65 per cent.

The bonds are wholly subsidized by the Province of Quebec as to principal and interest by a grant from the Public Charities Fund. The institution is now building a new convalescent hospital on a nine-acre site in Montreal.

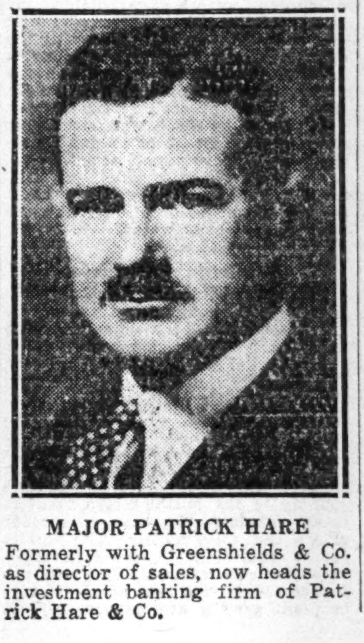
It is estimated that the land now owned by the Home and the buildings when completed will have cost more than $260,000. The grant under the subsidy will be assigned to the trustee as security for the bonds, which in addition will be secured by a specific mortgage on the new hospital property and buildings.

Patrick Hare Forms Firm to Deal in Bond Securities

From Our Own Correspondent

MONTREAL.—Major Patrick Hare has formed a new investment banking firm under the corporate title of Patrick Hare and Co. The new company will deal in Dominion, provincial, municipal and corporation securities. Major Hare was formerly director of sales and manager of the bond trading department of Greenshields and Co. Prior to his association with Greenshields and Co., he was connected with Harris, Forbes and Co. in Western Ontario.

Forms New Firm



MAJOR PATRICK HARE

Formerly with Greenshields & Co. as director of sales, now heads the investment banking firm of Patrick Hare & Co.

CANADIAN PACIFIC ORDINARY SHARES HOLDING POSITION

Duff Report is Viewed Favorably—Little Effect on Stock Values

From Our Own Correspondent

MONTREAL.—Ordinary shares of the Canadian Pacific Railway moved within a narrow range marketwise on the publication of the summary of the Royal Commission on Transportation. The report did not contain any startling recommendation and was much along the lines that had been forecast for several weeks back. The need of co-operation and the elimination of duplicate and expensive services are looked upon as favorable factors which should react to the benefit of the company.

Interest in the ordinary shares at this time is based largely upon the outcome of the crop movement in the West. Over the past ten days the volume of grain moved from country points to the terminals has been appreciably heavier than a year ago. This is reflected in a gain of gross revenues.

Eastern Business Low

The situation on the Eastern Lines is not nearly as satisfactory as in the west. Car loadings are less than last year. Manufacturing continues on a low scale and there is no expectation of an early improvement until the money for the new crop gets into circulation.

Passenger business has been relatively poor this year. Numerous excursions have been promoted by the company with good results. The revenue accruing from this source has been substantial, but the reguluar volume of business has been of small proportions.

Special Income Position

There has been no word on results from the other divisions. It is to be expected that the hotels, telegraph, express, steamships and other departments are not doing as well this year, while revenue from investments is likely to be on a lower scale. Returns from the special incomes account are difficult to determine at this stage, as much will depend upon year-end results.

No comment has been forthcoming on the possibility of the company paying a dividend at the end of the year. From the interim reports, together with prospects for the balance of the year, ordinary shareholders are not too optimistic over the likelihood of a dividend. The market recognizes this possibility and the relative strength of the shares of late is regarded as a reflection of the heavier movement of grain and the improvement which will be brought about in time through the adoption of the Duff Commission recommendations.

Canada Wire and Cable Take on New Products

From Our Own Correspondent

MONTREAL.—Canada Wire and Cable Co. has made arrangements with the Mueller Brass Co., of Port Huron, Mich., to manufacture and sell "Streamline" brass fittings and copper pipe in Canada.

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Wilmot L. Matthews
F. E. Meredith, K.C.
Lt.-Col. Herbert Molson, C.M.G., M.C.
W. N. Tilley, K.C.
The Hon. J. M. Wilson
600

LAWRENCE FLOUR COMMON JUMPS

Stock Touches Highest Point Since 1930 Levels

From Our Own Correspondent

MONTREAL. — Common shares of St. Lawrence Flour Mills made an appearance in trading on the Montreal Stock Exchange recently and the transaction, which took place at 25, represented a gain of 16 points over the previous trading at levels of 9 and a new high since 1930. No dividends are paid on the common.

In the year which ended August 31 sales and earnings are understood to have been well maintained. Shipments of flour exceeded those of the previous year and indications are that earnings will compare favorably with those of the preceding period.

In the fiscal year ended August 31, 1931, earnings of the company totalled $90,266. After all charges there remained a sum equal to $11.27 a share on the 7 per cent preferred stock. After preferred dividends, profits were equal to $2.12 a share on the common compared with $3.11 a share in the previous year.

Possibility of Dividend?

No disbursement has been made on the $1,200,000 of common since 1925. In that year a payment of 2½ per cent was made following disbursements of 6 per cent, with substantial bonuses, paid since 1919.

Whether the sudden jump in share values indicates the possibility of resumption of common dividends remains to be disclosed. Surplus at the end of August, 1931, was $309,846, a sum which has likely been increased. Bank loans amounted to $232,211.

The company confines its activities to flour milling and a general feed business. Operations have been free from the difficulties sustained by larger millers who have extended their activities into the baking business.

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TORONTO, OCTOBER 1, 1932

MR. BENNETT'S CHANCE IN STATESMANSHIP

CANADA'S Prime Minister faces one of the most important problems of his career in having to select a chairman and two other trustees for the Canadian National Railways. It is probably safe to say that the difference between a good selection and a poor selection will mean at least 30 to 50 million dollars a year to Canadian taxpayers. It means the difference between the gradual, successful working out of the Canadian National Railway's problem and a further descent into the slough of national bankruptcy.

Mr. Bennett will have to show all the qualities of courage, impartiality, judgment and political honor, that he has on more than one occasion shown in the past.

Preferably the trustees should be Canadians. Surely there is in Canada financial ability, national spirit, and business genius in sufficient quantity to warrant the hope and assumption that the new chairman will be a Canadian.

One thing should be made clear by the Prime Minister; that no appointment will be made to this board of trustees to represent any portion of the country, or any class in the country. Already Labor has been demanding a place on the board. No doubt agriculture will feel that it should be represented. The Maritimes and British Columbia will each want a trustee. Such considerations should not prevail at all. It is a national problem and every part of Canada and every interest in Canada is more concerned in finding skillful management for the railway than in being honored by the choice of a native son or a class representative.

For chairman, Mr. Bennett must find a man still in the prime of life, with the relentless financial genius of Sir Herbert Holt, the intellectual statesmanship of Sir Joseph Flavelle, the working knowledge of Canada of E. W. Beatty and the political courage of Mr. Bennett himself.

RAILWAY DEFICITS NOW TO BE TAXED

AT THE time Finance Minister E. N. Rhodes presented his last budget statement, The Financial Post pointed out that the deficit on current account was much larger than Mr. Rhodes had shown it to be. For one thing he had not included in his figures the annual deficit on the Canadian National Railways. For this he had the precedent of all previous occupants of the post of Minister of Finance since the Canadian National Railways was formed. If one of the important recommendations of the Duff Commission is followed this particular form of wool-pulling with reference to the Canadian taxpayer will be ended. The Commission urges that the annual operating and interest deficit of the C. N. R. should be budgeted by the Minister of Finance and voted by Parliament.

In the past, the procedure has been to introduce yearly in the House of Commons a general Canadian National Railways bill which has provided for raising enough money to meet whatever operating deficits there might be, to pay interest on the Canadian National Railway bonds and to provide cash for capital expenditures. Sometimes the money has been raised by the Dominion Government and advanced from the treasury; on other occasions it has been raised by the sale of Canadian National Railway bonds guaranteed by the government. In any event, Canadian National Railways deficits have been met by increases in the debts either of the Dominion of Canada or of the railway itself and the fact has been obscured that the major portion of the appropriation has been an irrecoverable, operating expense of the people. The expenses have not been paid from year to year out of the taxes of that year by the people of Canada as they should have been paid.

To a very considerable extent the present top-heavy capitalization and bonded indebtedness structure of the Canadian National Railways is the result of piling interest upon interest and deficit upon deficit.

It is going to be very difficult for any Minister of Finance to show a surplus in his accounts over the terms of the next few years. But if charging the Canadian National Railways interest and deficit to current taxes has the effect of making quite apparent the necessity for greater economies in the other expenditures of the government it will prove to be a most useful one and a profitable one for the taxpayer.

GIVE IMPORTERS FAIR PLAY

IMPORTERS, whether manufacturers or merchants, should have fair play in getting their requirements from outside Canada. There is no legitimate cause for quarrel with a government for having duties high when it has been elected on a platform calling for increased duties. There is no cause for quarrel with protection for industry. It is a rank injustice, however, when to those duties are added regulations which make it impossible for the importing company to know what goods will cost on arrival. That is in effect a policy of prohibiting importation which may prove eventually a boomerang to the companies it is designed to protect. The protectionist apparently has some reason to pray to be saved from his friends.

In J. W. Dafoe's biography of Sir Clifford Sifton, the latter is credited with having strenuously opposed the Liberal Government making good the free trade pledges on which it was elected in 1896. Sir Clifford's argument was that business is a somewhat delicate plant and that changes downward should be made after the most careful scrutiny of every individual situation so that no harm would be done either to persons or to the general fabric of business. It is argued similarly that violent upheavals of duties, cutting across the intricate relationships of business, may do as great harm as their levelling would do.

High tariffs at a time of emergency appeal to the majority as a legitimate device. Dumping duties are doubtless required for the protection of native industry against countries with depreciated currencies, low wage scales and distress surplus goods for sale. If every argument for a high tariff is admitted, it still remains an unfair handicap, which militates against the whole international trade of Canada, when duties are so applied that an importer cannot know his costs until goods are in Canada. He can get a definite price everywhere else but from the Customs Department in many cases.

These considerations were recently placed before the Canadian public by The Financial Post in an article which reflected the views of many importers that the offending regulations should be cancelled at an early date in order to make effective recent agreements for Inter-Empire trading. An answer to that article by Canadian Textile Information Services of Montreal, on behalf of the domestic cotton industry, is published in this issue. With much that is said there The Financial Post agrees. The textile companies of Canada have proved themselves able to give goods in a wide range of grades and qualities just as well as foreign companies but they cannot always cover the whole field all the time in an industry whose complexities and constant changes of style and fabric are phenomenal. Fair play to the importer does not mean that the government should leave an industry unprotected but only that the latter shall know always what it will cost him to import any type of goods desired so that he will know just where he can fill in his requirements when his immediate need or fancy is not met by Canadian goods. Quite often the imported material helps to sell Canadian goods with which it is incorporated.

The textile industry is only one case in point. Hardware and Metal, in its issue of September 24, has a leading article devoted to the hardships worked because of "arbitrary practices at Canada's 144 Customs ports" which simply mean "that Canadian buyers are asked to purchase goods without knowing what those goods will cost when laid down in this country." English firms, the article reports, find buyers in Canada reluctant to order under such conditions. Thus established channels of trade are interfered with in a way that is inimical to the growth of a large volume both ways of trade between Canada and the United Kingdom.

TOO MANY GOVERNMENTS AFTER INCOME TAXES

EVERY province in Canada with the exception of Quebec, now has double income taxation. There is, of course, the federal income tax levied in all the provinces. There are provincial income taxes in Alberta, British Columbia, Manitoba, Prince Edward Island and Saskatchewan. There are municipal income taxes in New Brunswick, Nova Scotia and Ontario.

In discussing income taxation in Canada, the Citizens Research Institute of Canada refers to the great burden thrown on industry by the accounting and reporting necessary to satisfy all the requirements of the different governments. This is an added tax which does not show in government revenues.

The institute calls attention to the necessity for delimiting the fields of taxation. It asks if it would not be in the best interests of Canada to have greater coordination rather than to have governmental units taxing everything within their power without relation to taxes levied by other units. The suggestion is made that the corporation tax might be left to the Dominion while the taxation of individual incomes be left to the provinces or municipalities.

The institute points out that the policy of soaking the rich seems to have reached the ultimate under the combined Dominion and provincial income taxes in some of the provinces.

Obviously, such a policy will not breed initiative and it will in the end defeat its own purpose of providing the governments with revenue.

GUTTER JOURNALS SHOULD BE CHECKED

NEWS stands are flamboyant with publications that carry on varying degrees of blackmailing, libelling, mud-slinging, debunking and exposing. They reveal some truths that would not otherwise be printed, most of them truths of no general importance but satisfying to sex introverts, economic iconoclasts and ordinary lovers of scandal. But at the same time they publish many very serious allegations that are either downright inaccurate and malicious or distorted and misleading. When false allegations are made about business institutions in which hundreds or thousands of Canadian investors and citizens have a stake it is a serious matter.

One publication draws a host of readers by publishing the sordid details of what are commonly called "closed door" cases in the criminal and divorce courts. It is a wonder that judges and magistrates have not cited it for contempt of court or that morality officers have not summoned the editor for indecency.

Having gotten a following for its filth, this rag supplies its readers with exaggerated or faked exposures of the financial operations of various investment houses, investing trusts, etc. These alleged "exposures" provide in turn a background for much financial advertising of a character that makes security frauds prevention acts look somewhat inocuous. Week by week this publication carries on its work of undermining public confidence in all classes of business and financial men and institutions. Yet the immediate targets of its poisoned shafts are never reported as suing the publication for libel or taking other action to purge themselves in the public's mind. Most business men take the stand that, when they are libelled by a blackmailing sheet, they should not stoop to the indignity of attempting to defend themselves; that they should completely ignore the attacks that come from such a source. Maybe they are right but whatever their final decision they should arrive at it, not simply on the basis of their personal reaction to the attacks, but after consideration of the larger interests of the shareholders or employees they represent. If a public or quasi-public institution suffers any loss of prestige or profit as a result of scurrilous attacks, even by a publication known to be of left-handed origin, it is the duty of the executives to defend themselves.

There is another publication that has so far refrained from making a pornographic appeal but that, trading on an old and once honored name, has carried on an insistent and damaging campaign against certain financial institutions in Canada. Its darts are thrown more particularly in the direction of a large life insurance company and its president. Among the phrases used in a recent issue in reference to this company are: "The World's Greatest Crooks," "Swindle," "Embezzlements."

It is amazing that with all the protection that the criminal and civil codes provide against malicious slander and gutter journalism, publications of the type in question find no difficulty in continuing their attacks and in obtaining large circulations for their issues.

They will probably continue in business and be joined by an increasing number of imitators until some outraged person or corporation shows enough courage and sense of public duty to take legal steps in defence.

WESTERN PROVINCES NOW STRENGTHEN FINANCES

THE western provinces, spurred by economic necessity and public opinion, appear to have taken the lead in striving for balanced budgets, and with praiseworthy success. The report of the Kidd Commission has focused public attention on the sorry financial record of British Columbia, and with the support of the business men of that province even partial adoption of the stringent recommendations of the report may well lead to far-reaching reforms. Alberta reports a deficit of only $103,830 for the first quarter of the current fiscal year compared with a deficit of $1,832,628 in the same period a year ago and while the estimated surplus of $149,200 for the current year may not be attained very material progress can be expected.

Saskatchewan in the first four months of the current fiscal year shows a reduction in expenditure and a heartening increase in revenue. With the active collection of the public revenue tax now in effect a surplus is possible for the current year. The larger return from this year's crops will reduce relief expenditures by over 90 per cent it is estimated; will reduce the need for seed grain advances and will enable the payment of a substantial amount of tax arrears. Improved purchasing will increase provincial revenues from the gasoline tax and other sources.

Five hundred blacksmiths attended a convention in Toronto, whereupon newspaper columnists produced enough chestnuts to go around.

POST-scripts

HAVING had occasion recently to look up a few words and phrases that we wanted to use in their precise senses, we hasten to share our newly acquired (or lately refurbished) knowledge with our readers.

One does not "allude" to something when one mentions it or speaks of it. One "alludes" only when the reference is indirect or by suggestion.

"Vocation" is one's profession or calling but "avocation" is something that calls one away from one's regular job. "Sandy" Somerville, then, is an insurance salesman by vocation and a golfer by avocation.

We compare one thing "with" another to find points of agreement or difference. We compare one thing "to" another only when we know that resemblance exists.

One does not "demean" one's self by a degrading action. "Demean" signifies to behave or to conduct. No doubt one could demean one's self very politely.

"Few," strangely enough, implies a smaller number than "a few."

The only safe rule about "only" is that one should be careful to put it only as near as possible to the word or phrase it modifies.

Be careful not to be tripped by "venal" or "venial." "Venal" means corrupt or mercenary. "Venial" implies something that may be overlooked or pardoned.

One "raises" one's children only for a pick-a-back ride. When one brings them up, one "rears" them.

Speaking of "raise," custom seems to indicate that a Canadian shall always get a raise in salary while an Englishman gets a rise. However, the word will probably be labelled "obsolete" in tomorrow's dictionaries, so why worry?

ALL of Canada's timber resources will not be cut for lumber for pulpwood if Frank J. D. Barnjum, widely known conservationist, has his way. For many years past Mr. Barnjum has been crusading against the uncontrolled cutting of timber limits and, on different occasions has purchased particularly fine stands of timber to save them from being exploited.

In order to preserve his extensive timber properties in Nova Scotia, estimated at 100,000 acres and chiefly located in Annapolis, Queens, Guysboro and Victoria counties, Mr. Barnjum has formed a holding company known as the Barnjum Forest Foundation of Nova Scotia. These holdings are perpetually insured against exploitation.

The Foundation is a closed corporation with Mr. Barnjum as president; George W. Barnjum, his son, as vice-president and director; Lenora B. Wood, his daughter, is also a director. The Foundation is incorporated at $5,000 and agreements are made with the different parties that this land must be conserved for posterity.

HOW many golf balls could be purchased with the outlay on a first class green? Few golfers could answer this question off-hand, but the management of one course in the Montreal area will be able to give the correct answer before long. The problem came up in this way: A friend was playing the course and on one hole had a particularly successful pitch shot to the green. While he was still some distance away, he saw a young lad dart from out of the nearby bushes, pick up his new ball, and depart for an unknown destination. The occurrence was reported to the golf professional, who recognized the robber by the description given by the unfortunate golfer. The lad was brought up before the juvenile court judge and sentenced to several days in the reform school. His caddie friends were not at all pleased with the outcome and muttered threats of vengeance. Little attention was given to these threats until one morning the professional, on his rounds of the course, discovered that a whole green had been ruthlessly torn up during the night.

Other People's Views

Bureaucracy Dissected

New York Times.—Governor Roosevelt must have been reading James M. Beck's "Wonderland of Bureaucracy." "Remarkable as is the genius of a Federal bureau for immortality, it is as nothing to its fecundity," says that authority. "A bureau may have a small beginning, but it is like the modest shad—it has within it roe from which an indefinite progeny can be spawned." Another writer has likened some of the bureaus at Washington to protozoa, which abound in stagnant waters and reproduce by fission. Perhaps a better simile still would be the coral polyp, waving its hungry tentacles about and building out of the hardened skeletons of its myriad ancestors a reef proof against the onslaughts of the heaviest sea.

Stemming the Torrent

Dean Inge—The progressive vulgarization of the daily press, with a few honorable exceptions, may be a necessary result of democracy, but it causes acute distress to all right-thinking persons. There is nothing which gives such a dismal impression of our civilization. We may take it as certain that in the opinion of the editors, who are as a rule educated and high-minded men, a popular newspaper must conform, to the vulgar taste of the populace or cease to exist.

All honor to those who are trying to stem the torrent of vulgar sensationalism. There ought, now that education of a sort is so widely diffused, to be enough self-respecting readers to keep the heads of a few high-class newspapers above water.

Manchuria and Canada

Commercial Intelligence Journal—Manchuria's agricultural resources have frequently been compared with those of the Canadian prairies, and a close parallel has been drawn between this country's economic future and Western Canada as it is today. Manchurian territory is unusually well suited for agricultural production. Bordered on the northwest, northeast, and southeast by mountain ranges, the whole interior of the country to the southwestern frontier is a vast plain, unbroken except for rivers and rolling hills. The soil is fertile and, since it has been cultivated for comparatively few years, is frequently so rich that artificial aids to plant growth are unnecessary. A temperate climate is an additional factor in producing unusually favorable conditions for farming.

Manchuria possesses approximately the same area of arable land in proportion to its total area as does Canada, but a smaller proportion of such lands are available for occupation. Data on this subject are given herewith:

	Canada Acres	Manchuria Acres
Total land area	1,310,000,000	245,000,000
Total argicultural land	360,000,000	65,000,000
Area occupied	141,000,000	32,500,000
Area available	219,000,000	32,500,000

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

Deflation vs. Inflation — A World Issue

A BASIC problem that will have to be faced by the world economic conference which will meet (if it finally comes off) either in Washington or in London this winter, is to attempt to determine whether the way out of the present depression is through inflation or deflation. There is a fundamental difference between the viewpoints of different groups of economists and even of different nations on this subject.

The deflationists hold that the way out of the depression is to bring wages, taxes, debts, and costs generally down to the present price level, or perhaps to a price level slightly higher than the present since some moderate rebound is to be expected in any case.

* * *

THEY would trace the sequence of events leading up to the present period of economic prices somewhat as follows: the world went on an inflationary spree beginning about the year 1900. Through such devices as reduction of the gold coverage of currency, the use of cheques, the increased use of paper money, the piling up of governmental and private debts, etc., a great inflation was carried on throughout the world up to the beginning of the war. This tended to reduce the real value of money and prices rose, upsetting the relationship between creditors and debtors and between employers and workers. The war, with its wasteful use of commodities and its large government loans, gave greater stimulus to this inflation, and in the post-war era there was no sensible control of the world's economic development, with the result that inflation proceeded at an even greater pace, aided by installment selling and stock market speculation. The necessary deflation from the war was postponed by such devices as national tariffs and the gold exchange standard, which kept the balloon high. Countries that should have reduced their tariffs and purchased goods from their debtors avoided offending their own producers by making huge loans abroad up till the time crisis hovered overhead. In any event, the world got itself so inflated that an arduous process of deflation was necessary. Unfortunately all factors can not be deflated evenly and at the same tempo. Deflation, argues this school, must go on until all factors have been brought to an equitable basis when the way will be cleared for prosperity.

For instance, the long term rise in prices, through the aforementioned cheapening of money, tended to increase production of all commodities in every part of the world with the result that the world has gotten itself in a position where it could produce and did produce a great deal more than it could consume or market. The way to bring production in line with consumption, the argument runs, is to discourage production by means of low prices for commodities.

It is understood that the French bankers and politicians are strongly deflationist in viewpoint, and feel that present low prices of commodities will eventually clear the depression by discouraging production. That is why they are opposed to the arbitrary stimulation of industrial production by easy credits or cheap money.

* * *

THE argument of the inflationist is perhaps more familiar. It, of course, has many variations, but its main current runs about as follows: The crisis has been induced by a breakdown in the world's monetary and credit system, whether due to shortage of gold, through economic nationalism, tariffs, the war debts, or what not. There is no over-production of commodities but merely under-consumption due to the fact that the breakdown of the monetary system has made it impossible for those who need goods to buy from those who have a surplus for sale. The deflation is a product of monetary crisis, but it has grown more intense as a vicious spiral has been sent up. Unless drastic measures are taken, both on a national and on an international scale, to stop the deflation of prices, the crumbling process will go on until the whole world is insolvent. It would take a generation to readjust all factors in line with each other. But the world would probably not wait for this process, but would seek refuge in Communism or some other form of political and social re-creation.

In order to arouse initiative, to make it profitable for people to undertake productive or constructive development, it is necessary to arrest the fall in prices by encouraging distribution and consumption of goods through easier credits. They feel that it would be easier to bring prices up to the present level of debts, taxes, wages, etc., than to bring the latter factors down to the present price level. Their method of accomplishing this would be simply to cheapen money by increasing the volume of money in circulation. The American government, through its various reconstruction schemes, has been carrying on a definite programme in this direction, although it is labelled "reflation"; i.e., a process of offsetting deflation, rather than inflation. This is largely quibbling with terms. The British and the Germans are carrying on similar policies.

* * *

IF THE world economic conference can even sketch out this problem in bold relief so that people will realize that there is at the present time going on a fundamental conflict between the inflation and the deflation school, it will do something to bring understanding to the situation even if it does nothing to find the solution or to determine which path — inflation (which would be called reflation) or deflation—should be followed.

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WARNING to PROPERTY OWNERS

TODAY a letter came to my desk that deeply impressed me. It was written by a woman—the mother in a typical Canadian family. Her little home had been saved from foreclosure by a coat of new paint, for which a part of their meager savings had been paid.

Those few gallons of fresh paint had so revived the appearance and enhanced the value of the property that the mortgagee had consented to renew the loan . . and the little home was saved.

I could not help thinking of the *thousands* of homes and buildings that are shabby and unattractive today due to several years of neglected painting; of the millions of home owners who, because of reduced incomes and enforced economy, have been obliged to sacrifice painting for taxes, interest, assessments, to say nothing of food, clothing, heat and other essentials of comfort and health.

You have seen these paint-starved houses and buildings, as have I. They are everywhere about you. Perhaps your home is included.

Do you understand what they signify? Do you realize what will happen to wood or metal that is literally naked of paint if these houses and buildings face the attack of another season of rain, snow, ice, and frost?

Never in the history of Canada has the situation been paralleled.

Property owners face an added burden of expense amounting to millions of dollars *for repairs and replacements* next spring.

And the crisis, in my opinion, will be reached *this coming winter* when paint of four, five, and even six years exposure to the weather will be unable to resist the elements — when badly weathered wood and metal will be easy prey for rot, rust and decay.

Today the big question facing thousands of property owners is plain. It is *"paint* or *pay."* Either you must invest *a little* this fall in new paint or you must take the risk of paying many times the cost of paint to repair the damage done by rot, rust and decay this winter.

Even at the sacrifice of other things, have your house or buildings completely repainted now. No investment you can make will pay better dividends. And nothing you can buy will make you and your family *feel* so uplifted and cheerful.

If you cannot arrange to do a complete repainting job now, at least *give the badly weathered places a coat or two of protecting paint.*

Look especially, to the window sills, thresholds, outdoor porches and steps; the joints of porch railings and palings; the bases of pillars; the edges of eaves; the roof; the gutters and down spouts. These are the *vital spots* where water lodges—where ice and frost settle—where rot and rust attack first.

A few dollars' worth of good paint, applied now, will protect these vital spots—will tide you over this crucial winter. And it will probably save you a much greater expense for repairs and replacements next spring and summer.

Under existing conditions, you may be tempted to buy a cheap, trashy paint because of its low price. I hope you will not make this costly mistake.

Even on sound lumber, inferior paint is a poor bargain. But on weathered wood, which is very porous, such paint is worse than useless. It gives you a false feeling of security and leaves you without protection.

Prices of well-known, established brands of paint are now the lowest in fifteen years. Enough good, dependable paint can be purchased for a few dollars to protect all the badly weathered surfaces on your building.

Again I repeat, do a complete job this fall if you can. But at least do the vital *exposed places* before it is *"too late."*

Vice-President & Managing Director
THE SHERWIN-WILLIAMS CO.
OF CANADA, LIMITED

Business Conditions in Canada

The Week in Business

Business Awaits Details of 220 Items

Power Production and Car Loadings Soar

Fundamentals Show Little Change

WITH the opening of Parliament but a week away, the attention of business in Canada—particularly in regard to export and import trade—is focused primarily on Ottawa. Already there has been a perceptible slowing up in the movement of certain lines of merchandise which is taken to mean that buyers and sellers alike are awaiting the announcement of the famous 220 items which is the chief undisclosed feature of the Ottawa pacts.

Since the British Parliament does not open until October 18, there is some conjecture as to whether Prime Minister Bennett will wait for two weeks and announce the remaining terms of the treaty simultaneously with a similar announcement in the British House, or whether the complete details of the pact will be made available as soon as Ottawa parliament convenes. According to the London Times it is thought that at least three weeks will be required to accomplish the work that is before the coming session of the British House so it will probably be the middle of November before final results of the Imperial Conference in so far as the Anglo-Canadian pact is concerned, are known.

* * *

OF THE week's business news in Canada perhaps the most encouraging item is the good gain made in the average daily output of central electric stations in Canada during August. The August figure of 39,710,000 kw. hours is nearly 6.5 per cent higher than the July total and is the first gain made since September, 1931. Obviously the gain is due to seasonal influences but the particularly encouraging feature is that the upturn has come a month earlier than is customary and the percentage improvement has been fully as great as usually appears in September. The September figures will be watched with very considerable interest to see if the trend continues.

The second item of encouragement is that for the first time this year carloadings of revenue freight for the week ending September 17 soared above the 1931 level. Loadings have been mounting sharply since grain started to move a month ago and this week also, for the second time in recorded history, loadings in the west topped the total for the eastern division. The adjusted index for the week as compiled by the Dominion Bureau of Statistics, jumped to 78.5 as compared with 70.4 the previous week and 75.3 in the same week a year ago.

* * *

AS to the general world situation, this week's news brings little [illegible] import. Opinion in the United States seems to centre more and more on the thought that no substantial recovery in business is in sight either on this continent or abroad until a war debt settlement has been achieved. The realization grows daily that "conflict on the basic economic policy of different nations has produced a deadlock which must be broken before substantial recovery can occur." As Sir Arthur Salter clearly indicates in a leading article in a special issue of Foreign Affairs, published this week, the decisive choice before the world today is between trying to build up world trade based on a world order or moving further toward a system of "closed units each aiming to be self-sufficient."

SEARLE GRAIN CO. AVERS PREFERENCE AID TO CANADA

Direct Benefit to Farmers Seen from 6-cent Wheat Bounty

Whole-hearted belief that the six cent preference on Canadian wheat recently accorded by Great Britain at Ottawa, would be of definite benefit to Canada and that this gain will be carried directly back to Canadian farmers was expressed last week by the Searle Grain Co., of Winnipeg, in its weekly grain bulletin.

In view of the almost unanimous opinion on the part of the Canadian grain trade at the time of the Imperial conference, that this preference would be of little or no value to Canada, this position by one of the leading grain organizations in the west is significant.

The statement is as follows:

"The Imperial Conference just concluded at Ottawa, decided among other things that Great Britain should grant a preference of 6 cents a bushel to all Canadian wheat purchased by that country.

"Some have expressed the view that in the long run this may be of little or no benefit to Canadian farmers. The question is much more complicated than appears at first glance and there is much to be said for and against the above view. The Searle Grain Company, however, after careful consideration, is of the opinion that this British preference, if approved by the Parliament of Great Britain, will be of substantial benefit to the Canadian wheat grower.

"Some critics of the preferential scheme, however, have gone further, and stated that even though Canadian wheat purchased by Great Britain should receive an actual premium of 6 cents a bushel that this preference or premium would not be reflected back to the Canadian wheat producer. Prominent among those who uphold this view is the president of a large wheat co-operative of western Canada, who stated in a recent public address that he could not see how the premiums could be returned to the growers under the present set-up.

"The Searle Grain Co. completely differs from the above mentioned gentleman and all others who hold similar views.

Would Mean Premium

"The preference of 6 cents a bushel for Canadian wheat on the British market, if granted, would differ in no shape or form from the premium of several cents a bushel that Canadian wheat ordinarily commands on the same British market over and above foreign wheats. This company recently made a very exhaustive study of the prices paid in Liverpool for Canadian wheat, and the prices obtained by the wheat producer at the local elevator of such line elevator companies as marketed their grain on the world's markets through the medium of the futures marketing system.

"The result of this study shows that the prices obtained for Canadian wheat on the world's market are reflected straight back to the producer in the prices quoted at the local elevator. A knowledge of the marketing of wheat as practised through the future marketing system of such organizations as the Winnipeg Grain Exchange demonstrates further that the methods are such that it is quite impossible for eventual world's values to fail to be so reflected back to the producer.

"Should Canadian wheat actually receive the 6 cents per bushel preference premium on the British market, it is not contended that any individual farmer would receive 6 cents a bushel for his individual wheat. We do contend, however, that the total additional amount of money received for Canadian wheat because of the 6 cents premium would be spread over all the wheat that all the Canadian farmers deliver to local elevators.

"There is a possibility that the preferential plan, as well as resulting in a higher price per bushel on Canadian wheat sold on the British market, might result in a much enlarged market in Great Britain for Canadian wheat. This, of course, would be in its turn of substantial benefit to the Canadian producer, and in the long run, in itself alone, would tend to stiffen prices. As this company sees it, therefore, the preferential plan, if finally adopted, is bound to lead to some tangible advantages to the Canadian wheat grower."

Investment Securities

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As a subscriber to The Financial Post you are entitled to ask questions regarding any investment that you are interested in.

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New Federal Revenue Officials

HUGH D. SCULLY — C. FRASER ELLIOTT

New federal officials recently appointed at Ottawa, include the appointment of Hugh D. Scully as Dominion Commissioner of Excise and C. Fraser Elliott as Commissioner of Income Tax. Mr. Scully was a partner of the firm of Stewart, Scully & Co., investment bankers, Toronto. He succeeds G. W. Taylor. Mr. Elliott was formerly assistant commissioner and counsel of the Income Tax Division of the Department of National Revenue. He succeeds C. S. Walters.

AUGUST OUTPUT ELECTRIC POWER SHOWS GOOD GAIN

Foodstuffs and Textiles Aid Post Index in Holding Ground

By SYDNEY B. SMITH

Business operations showed signs of stout resistance to further depression in August, the lagging tendency of the heavy industries preventing a clear cut gain from the general standpoint.

Measured by the final version of The Financial Post business index, the level in August was higher than in May or June but slightly lower than in July, the standing being 80.5 compared with 80.9 in the preceding month. The changes in the index during the last three months have been fractional, the relative stability presenting a strong contrast to the pronounced decline during the greater part of the last three years.

At 1922 Level

Measured by this index which has been thoroughly revised this month, operations are now at a level comparable to August, 1922. The industrial expansion of the last period of prosperity, the most remarkable in the history of Canada, has been offset by the decline since the early months of 1929. The recently established level of business operations is slightly more than 30 per cent below the line of long-term trend determined by the method of least squares for the period from 1919 to the first half of 1932. The duration and the severity of the decline lend color to the assertion heard on many sides that the worst of the depression is passed and that recovery may be in evidence sooner than most people expect.

Foodstuffs, Textiles Gain

August was characterized by low levels of operation in metal and construction industries while greater activity was recorded in the manufacture of foodstuffs and textiles. There is precedent for this divergence during the latter part of a period of depression. Industrial and transportation equipment is more than ample for the demands made upon it at the present time and the industries concerned with the maintenance and expansion of plant and equipment will not immediately feel a reversal in the prosperity tide.

The operation of a blast furnace was discontinued at Hamilton leaving no furnaces in blast at the end of the month. Production of 4,067 motor cars and trucks was less than in any other month since January. Sales forces are recently meeting with less resistance and signs point to recurring demand permitting greater activity in motor plants. Shipments of the base metals from Canadian mines showed recession in August; while the gain in prices in the last two months brightens the outlook for low cost producers. Gold made the usual good showing and the gain in coal production was greater than normal for the season. Imports of raw materials by the textile industry and employment in the industry and the end of the month indicated substantial gain in operation. Clothing factories were specially prominent in regard to additional employment, but increases were fairly general. Raw cotton imports were 5,995,000 pounds compared with 3,590,000 in July. Production of newsprint at 157,881 tons showed a gain and export of planks, boards and shingles were greater than the lows of the preceding month.

The gain in the output of electric energy was one of the bright spots of the month. On an average daily basis, the output was 39,710,000 kw.h. compared with 37,350,000 in July, the gains being well distributed throughout the five economic areas.

Financial transactions were of greater amount after seasonal adjustment, indicating in part revival in speculative trading on stock and grain exchanges. Employment in industrial pursuits showed moderate gain after the usual adjustments, increases in the Prairie Provinces showing the effect of a heavy grain movement.

The Financial Post index of the volume of business has recently been revised to include 47 factors covering mineral production, construction, manufacturing, electric power, distribution, bank debits and industrial employment. The monthly average for 1926 was chosen as the base equalling 100. The factors were weighted for the most part by prices existent in 1926, after having been adjusted for seasonal tendencies according to the month-to-month link median method.

Fur Price Rule Firm

The recent early fall sale of furs conducted by the Canadian Fur Auction Sales Company Limited in Montreal found prices ruling firm and 80 per cent of total offerings taken. Gross receipts amounted to $360,000.

Eastern Canada Buys 400 Trucks in August

Truck sales in Eastern Canada during August totalled 403 compared with 650 in the same month of last year. Chevrolet and Ford account for the main portion of the 1932 total with sales of 154 and 139 respectively.

For the year to date sales number 5,035 compared with 8,329 for the same period of 1931. Of the 1932 total Chevrolet is responsible for 1,904, Ford for 1,245, International for 398, Dodge for 292, Reo for 187 and Rugby for 164.

Business Briefs

Car Loadings for the week ended Sept. 17 amounted to 55,527 cars, exceeding the total of the same week last year by 5,300 cars. After adjustment for Labor Day and seasonal change the index number rose from 70.36 to 78.55, as against 75.26 for last year. Heavy western loadings were responsible.

Refined Sugar Shipments for the four weeks ended Sept. 10 amounted to 82,107,137 lbs. compared with 83,125,778 in the same period of last year. For the year to date shipments total 601,096,598 lbs. compared with 632,057,948 lbs. in the same period of 1931.

Canadian Wheat Stocks in store in Canada and the United States on Sept. 16 amounted to 153,333,585 bu. compared with 125,789,882 bu. for the previous week and 114,444,405 bu. on the same date last year. Rapid delivery of the new crop accounted for the increase.

Wheat Exports for the week ended Sept. 16 amounted to 4,223,875 bu. compared with 3,980,624 bu. for the previous week. Export clearances for the seven weeks ended Sept. 16 totalled 24,937,248 bu. compared with 16,403,828 bu. for the same period of the previous year.

Pig Iron Production was 5,992 long tons in August, the lowest point for the year to date. The one furnace in blast in July was banked during August with the result that no iron furnaces were in blast on August 31, 1932. Algoma Steel started one blast furnace during September.

Steel Ingot Production during August amounted to 26,710 tons compared with 27,506 tons in July and 52,491 tons in August, 1931. Production for the first 8 months of the year was 234,704 tons compared with 559,465 tons in the same period of 1931 and 762,663 tons in the first 8 months of 1930.

Average Value of the pound sterling declared by the department for special duty purposes is $3.86 effective for entries during the period October 1 to 15, inclusive.

Changes in Ford V8 Rumored in Windsor

A new front for the Ford V-eight and a cut in the price of the four cylinder job are contemplated by the Ford Motor Co., according to rumor in Windsor. The change in the eight is said to be contemplated so that the owner of an eight will not have to suffer the ignominy of having his car taken for a four.

That experience with the new models has shown where beneficial mechanical changes can be made and that these will be incorporated in the new cars is the usual rumor that goes around after the introduction of new model and this is now being told of Ford.

Commodity Prices

Current Prices at Wholesale‡
(N.Y. unless otherwise stated)

	Week ending Sept. 24	Previous week	Last year Sept. 26
Cattle (cwt.) (Toronto)	$6.00	$6.00	$6.75
Copper, lb.	.06¼	.06¼	.07
Cotton, lb.	.0745	.068	.0620
Rubber, lb.	.0388	.0345	.0495
Silk, lb.	1.92½	1.75	2.30
Sugar, raw, lb.	.0315	.0308	.0343
Wheat, (Man.) bu.	.50½	.50¼	.53⅛
Hides, lb.	.08½	.08½	.08
Coffee, lb.	.09½	.09	.05⅝
Weekly Indices*			
N. Y. Annalist	94.8	95.6	99.9
Fisher's	62.4	62.9	....
N. Y. Journal of Comm.	59.6	59.9	64.2
Crumps (British)	63.9	64.3	....

*N. Y. Annalist base, 1913. others 1926.

Monthly Indices

	Latest	Pr. mon.	Last yr.
Canada (D.B.S.)			
Wholesale (Aug.)	66.8	66.6	70.6
Retail (Aug.)	81.5	80.8	89.1
U. S. Labor (July)	64.5	63.9	72.1
Gr. Brit. (Aug.)	67.2	66.1	67.2

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese 13-15, New York; sugar—96 degree centrifugal c/f, New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Sept. 17)	55,527	50,227	1,521,433	1,783,915
C.P.R. gross earn. (Sept. 21)	$ 3,517,000	$ 3,045,000	$ 86,341,000	$ 104,181,000
C.N.R. gross earn. (Sept. 21)	$ 3,578,030	$ 3,832,248	$ 101,993,254	$ 127,925,318
	Monthly			
C.P.R. net earn. (July)	$ 859,708	$ 1,783,232	$ 6,111,587	$ 8,539,591
C.N.R. net earn. (July)	$ ‡753,483	$ 335,618	$ 3,162,108	$ 1,664,654
Iron and Steel—				
Pig iron, tons (August)	5,992	23,212	90,510	362,737
Steel, tons (August)	26,710	52,491	234,704	559,465
Automobiles prod. No. (Aug.)	4,067	4,544	51,208	74,849
" exports, No. (Aug.)	1,566	797	6,225	12,257
Construction—				
Building Permits (Aug.)	$ 3,331,278	$ 8,201,879	$ 30,137,519	$ 78,194,996
Contracts (August)	$ 12,688,500	$ 26,142,600	$ 99,989,800	$ 217,134,900
Newsprint—				
Production, tons (Aug.)	157,910	165,124	1,293,947	1,460,650
Exports, tons (Aug.)	152,760	160,175	1,217,986	1,343,052
Sugar—				
Imports, raw, lbs. (Aug.)	98,885,200	98,401,300	620,013,000	540,008,000
Melt. & ship., lbs.*	82,116,218	88,920,024	569,162,759	603,009,163
Manufactured, lbs.	81,916,973	89,406,199	550,000,815	578,124,071
Flour—				
Production, bbls. (July)	1,201,965	1,319,008	7,134,414	7,967,781
Wheat flour exp., bbls. (Aug.)	330,382	522,178	3,148,987	3,654,403
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Aug.)	53.60	93.19	499.51	644.78
Boots & shoes, pr. (July)	1,379,484	1,456,822	10,509,069	10,435,799
Petroleum, imp. crude, gal. (August)	89,776,589	106,065,392	644,965,555	668,588,544
Cotton, imp., raw, lbs. (August)	5,995,000	4,754,000	56,579,000	55,335,000
Rubber, raw, imp., lbs. (Aug.)	2,173,019	5,160,225	32,269,945	41,381,008
Coal, imports, tons (July)	1,054,454	1,245,095	5,445,382	6,010,840
Gasoline sales, gals., (Apr.)	35,377,000	39,215,000	114,925,000	118,810,000
Trade—				
Imports (August)	$ 36,527,262	$ 47,308,079	$ 314,285,344	$ 449,585,908
Exports (August)	$ 41,314,120	$ 48,763,652	$ 306,543,115	$ 390,064,275
Wheat exports, bus. (Aug.)	18,289,832	11,909,108	106,116,128	111,856,634
Labor—				
Employment Index (Aug.)	86.3	105.2	......	......
Electric Power—Output—				
M. Kilowatt hours (July)	1,157,845	1,251,322	9,105,444	9,563,293
Finance—				
Failures, No. (July)	175	152	1,412	1,261
Failures, Liabilities (July)	$ 2,986,840	$ 2,511,041	$ 24,208,290	$ 25,364,064
Bank debits† (July)	$ 2,176,000	$ 2,400,404	$ 14,712,824	$ 18,825,548
Bond sales (July)	$ 27,287,717	$ 7,467,700	$ 188,944,888	$ 333,871,211
Insurance sales (August)	$ 28,370,000	$ 35,738,000	$ 281,372,000	$ 337,217,000
Automobile Financing:				
Used cars (August)	$ 1,158,530	$ 1,488,373	$ 9,844,938	$ 16,191,101
New cars (August)	$ 1,022,043	$ 1,418,134	$ 10,067,558	$ 16,501,528

*Four weeks' period, Aug. 20 to Sept. 10.
†(000's omitted). ‡Deficit.

A NEARLY GLASS-HARD SURFACE WITHOUT BRITTLENESS

THE HAMILTON GEAR AND MACHINE CO.
LIMITED
62-100 VAN HORNE STREET.
TORONTO-4.

April 28th, 1932.

International Nickel Company of Canada Limited,
25 King St. W.,
Toronto.

Att'n Mr. C.E.MacDonald

Gentlemen:

Confirming phone conversation:

The Hamilton Gear & Machine Company use nickel alloy in their worm gear speed reducers in three of the important members,- the steel worm, the bronze gear and the iron coupling flanges. With a 3½% nickel steel worm, deeply casehardened, a nearly glass hard surface is obtained without brittleness. An addition of 1½% nickel to a bronze of suitable formula, gives it, when cast in a chill, a much improved micro structure, with great strength and wear resistance. An addition of 1½% nickel to the high test grey iron or semi-steel used for the coupling flanges greatly improves the density while maintaining good machineability. Also, to meet conditions of very high loading, with hard surface requirements, this company uses a case hardening steel with 5% nickel and .17% carbon, which is easily handled and gives particularly fine results.

Yours very truly
HAMILTON GEAR & MACHINE COMPANY
Chester B. Hamilton
President.

CBH/AB

Hamilton Gear and Machine Co uses

NICKEL ALLOY STEEL

Designers and builders of all types of machinery and equipment are constantly turning to Nickel Alloy Steels to solve the many difficult problems which confront them. Nickel, when alloyed with steel, either alone or in combination with other alloying elements, is used to give greater strength, toughness and wear resistance, and to produce a variety of other desirable characteristics many of which are unobtainable otherwise.

In practically all branches of Canadian industry engineers, metallurgists and manufacturers are specifying Nickel Alloy Steels to meet the exacting demands of today. Have you problems that might be successfully solved by the use of Nickel as an alloy of steel, cast iron, bronze or aluminum?

Our engineers will gladly advise you regarding the selection of materials for your specific problems.

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Vancouver

CANADIAN NICKEL PRODUCTS LIMITED
25 KING STREET WEST, TORONTO
A Subsidiary of
THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED

INCO NEWS

Interesting new uses of Nickel and Monel Metal in the various Canadian Industries.

Architectural

One of the most up-to-date school buildings that has recently come to our attention is that of Forest Hill Village, Ontario, where domestic science table tops are fitted with Monel Metal, furnished by the Canadian Office and School Furniture Company.

* * *

The Montreal Bronze & Iron Company recently entered the field as fabricators of Monel Metal in connection with a teller's cage they are building for the Banque Canadienne Nationale. Architects are finding that the silvery white Monel Metal combines with bronze to give very pleasing and striking effects.

* * *

A Monel Metal grille is being constructed for a bank in Glasgow, Scotland. This will require three-quarters of a ton of Monel Metal.

Household

A recent improvement in Hotpoint Ranges was effected by the use of Monel Metal for heating element supports. Monel Metal was chosen on account of its appearance, its resistance to warping, and its ease of fabrication.

* * *

Beatty Bros. of Fergus, Ontario, largest washing machine manufacturers in Canada continue to find a large consumer acceptance for their Monel Metal domestic washing machine.

* * *

Textile

The continued satisfaction being experienced by the Canadian Textile industry in Monel Metal dye equipment is illustrated by continued installations in the plants of Belding Corticelli Ltd., Montreal; Brack Silk Mills Ltd., Cowansville, Que.; Canadian Cottons Ltd., Milltown, N.B.; Courtaulds Canada Ltd., Cornwall, Ont.; Dominion Silk Dyeing and Finishing Co. Ltd., Drummondville, Que.; Dominion Textile Co. Ltd., Montreal; Franco-Canadian Dyers Ltd., St. Johns, Que.; Julius Kayser & Co. Ltd., Sherbrooke, Que.; Regent Knitting Mills Ltd., St. Jerome, Que.; and many others. Monel Metal in the dyeing industry is used for tanks, dye sticks, racks, batch cans, pails, and many other accessories.

Aircraft

The Forestry Branch of the Ontario Provincial Air Service have used a considerable quantity of Monel Metal for aeroplane runners.

Chemical

Coulter Copper & Brass Company recently completed two important tank jobs for the United Drug Company. Like many other fine chemical manufacturers, this Company protects its product by the use of Monel Metal.

* * *

Reeves & Heibein Company recently completed several Monel Metal tank linings for Lever Bros., Ltd., manufacturers of soaps at Toronto.

NOTICES

WANTED—INVESTMENT OPPORTUNITY

Canadian, 30, university education, 10 years executive and sales experience, intimate knowledge of Western agriculture, desires association in sound progressive business. Can invest $5,000.00. Interested ONLY in proven proposition capable of further expansion. Can satisfy most exacting requirements concerning past accomplishments and capabilities. References exchanged or full particulars to Box 97, The Financial Post, Toronto.

Tenders for Debentures

The county of Essex is offering for sale, Debentures issued under By-law No. 763 for payment of Provincial Highways for $135,000.00 bearing interest at 6% and payable in 10 equal annual payments.

Tenders will be received up till 12 o'clock noon on Wednesday, October 5th, 1932.

The lowest or any tender not necessarily accepted.

Tenders to be addressed to

John F. Millen,
County Treasurer,
Sandwich, Ont.

TO:—The Bondholders or Holders of Bonds of Windsor, Essex and Lake Shore Electric Railway Association.

Under and by virtue of a Mortgage Deed of Trust dated the first day of February, 1925, covering all the property and assets of the Windsor, Essex and Lake Shore Electric Railway Association, given for the purpose of securing bonds issued by the Association, the undersigned as Trustee therein mentioned having by reason of default declared the said security to be enforceable and having taken possession of the property and assets as in the Mortgage Deed of Trust set forth.

NOTICE IS HEREBY GIVEN under the provisions of the said Mortgage Deed of Trust that a meeting of the Bondholders or Holders of the Bonds issued by the above named Association will be held on Friday, the Fourteenth day of October, 1932, at the hour of eleven o'clock in the forenoon, at the office of Guaranty Trust Company of Canada, in the Guaranty Trust Building, in the City of Windsor, for the purpose of considering what disposition shall be made of the said property and assets and of the debentures given by the individual members of the Association as collateral security to the said Bonds, and in general to consider what action is to be taken for effectually enforcing the said security.

DATED the seventeenth day of September, 1932.

GUARANTY TRUST COMPANY OF CANADA, TRUSTEE,
Guaranty Trust Building,
Windsor, Ontario, Canada

DIVIDEND NOTICES

United Securities Limited

Notice is hereby given that a dividend of Fifty cents (50c) per share has been declared on the outstanding common shares of the Company for the quarter ending September 30th, payable October 15th, to shareholders of record September 30th, 1932.

By Order of the Board,

JAMES WILSON,
Secretary-Treasurer.

Montreal, September 22nd, 1932.

Highland Dairy, Limited

PREFERENCE DIVIDEND NO. 11

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending September 30th, 1932, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on October 1st, 1932, to shareholders of record on the register at the close of business on the 28th day of September, 1932.

By order of the Board,

M. MAYNE KENNEDY,
Secretary.

Toronto, Ontario, September 24, 1932.

General Trust of Canada

Dividend No. 14

A dividend of 1½%, being at the rate of 6% per annum, for the quarter ending September 30th, 1932, on the preference stock of the Company has been declared, payable October 1st, 1932, to shareholders of record on September 26th, 1932, at noon.

RENE MORIN,
General Manager.

Montreal, September 16th, 1932.

"CANADA DRY"

Ginger Ale, Incorporated
A Delaware Corporation

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, held September 21, 1932, a regular quarterly dividend of thirty cents ($.30) per share was declared, payable October 15, 1932, to stockholders of record at the close of business October 1, 1932.

R. W. SNOW, Secretary

The Steel Company of Canada, Limited

PREFERENCE DIVIDEND NO. 85

Notice is hereby given that a dividend of forty-three and three-quarters cents (43¾c) on the new Preference Shares of the Company has been declared for the quarter ending September 30th, 1932, payable November 1st, 1932, to shareholders of record at the close of business October 7th, 1932.

By Order of the Board.

H. S. ALEXANDER,
Secretary.

Hamilton, Ontario.
September 21st, 1932.

The Steel Company of Canada, Limited

ORDINARY DIVIDEND NO. 63

Notice is hereby given that a dividend of forty-three and three-quarters cents (43¾c) on the new Ordinary Shares of the Company has been declared for the quarter ending September 30th, 1932, payable November 1st, 1932, to shareholders of record at the close of business October 7th, 1932.

By Order of the Board.

H. S. ALEXANDER,
Secretary.

Hamilton, Ontario.
September 21st, 1932.

THRIFT

STORES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that the following dividends have been declared by Thrift Stores, Limited:

One and five-eighths per cent (1⅝%) on the 6½% FIRST CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES, and

One and three quarters per cent (1¾%) on the SECOND CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES.

Both dividends are for the quarter ending September 30th, 1932, payable October 1st, 1932, to shareholders of record September 20th, 1932.

By order of the Board of Directors,
THOS. F. MUNDY, Sec.-Treas.
Montreal, September 20th, 1932

NOTICES

SCOTCHMAN, 55 YEARS OF AGE, single, thorough knowledge of French and Spanish, 25 years business experience in Mexico; wishes to return to any Spanish-American country as representative or in responsible executive position. For further particulars, references, etc., write to W. D. Flemyng, Fort Steele, B. C.

Comptometer Operator, extensive experience in Auditing, Accounting, Statistical and Cost work. Open for engagement. Credentials of a high order. Box 98, The Financial Post, Toronto.

Canadian Silk Products Corporation

Notice is hereby given that the Annual General Meeting of the Shareholders of CANADIAN SILK PRODUCTS CORPORATION will be held at the Head Office of the Company, 1109 Dominion Square Building, Montreal, Que., on Monday the seventeenth day of October, 1932, at the hour of three o'clock in the afternoon for the following purposes:—

1. To receive and consider the Annual Report of the Directors, Balance Sheet, Statement, and Auditor's Report.
2. To elect Directors.
3. To appoint Auditors.

And for the transaction of such other business as may legally come before the Meeting.

A. A. Munster,
Sec.-Treas.

Sherbrooke, Que.
September 20th, 1932.

NOTICES OF INSURANCE

Notice is hereby given that License No. 17 dated August 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Individual Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Notice is hereby given that License No. 18 dated August 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at New York Reciprocal Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Notice is hereby given that License No. 19 dated August 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Affiliated Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Broken Weather Hinders Threshing in the West

Threshing got under way again throughout the west in the latter part of last week after cool and cloudy weather of the first part. Rains were general at the beginning of the week and some snow fell in west-central Alberta, according to the weekly crop report of the Canadian Pacific Railway.

While as much headway was not made during the week as during the previous one, threshing is nearing completion in Manitoba, with probably 4 per cent of the wheat and 10 per cent of the other grains yet to be threshed, about 80 per cent finished in Saskatchewan and approximately 48 per cent in Alberta.

The quality of wheat marketed up to this time has generally been high, although with the recent period of broken weather, particularly in Northern Saskatchewan and Alberta, reduction in grade in some districts is likely in future outturns. Additional moisture received this week has benefitted pasturage and soil conditions for fall work which is proceeding in various localities.

Farmers Withhold Grain Against Better Prices

From Our Own Correspondent

WINNIPEG. — Inclement weather has to some extent slowed down harvesting and delivery of wheat in Western Canada, but the daily total is neverthelesss impressive.

Farmers, in spite of their financial necessities, are managing to withhold large quantities for farm storage, in the hope of better prices later on. Even those heavily in debt are able to do this, as there is little danger of the process of seizure against grain on farms when prices are so low, although the process is being extensively resorted to when grain is delivered to elevators.

METAL PRICES

New York—September 27—
Copper: Electrolytic spot, £38 10s; future.
London—September 27—
(Long Ton)—
Copper: Electrolytic spot, £38 5s; future, £39. Standard spot, £34 5s; future, £34 5s.
Tin: Spot, £151 15s; future, £153.
Lead: Spot, £12 12s 6d; future, £12 12s 6d.
Zinc: Spot, £15; future, £15.
Silver: 17 11-16d. per ounce.

DIVIDEND NOTICES

Belding Corticelli Limited

DIVIDEND No. 26

Notice is hereby given that on the Common Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 1st day of November to Shareholders of record at the close of business the 15th day of October, 1932.

By Order of the Board,

D. F. POLLOCK,
Secretary.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1932.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1932.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1932.

By Order of the Board.

C. B. Robinson,
Secretary-Treasurer.

Montreal,
September 26, 1932.

ABITIBI POWER IS NOW PLACED IN BANKRUPTCY

G. T. Clarkson Receiver for Bondholders, F. C. Clarkson for Creditors

Abitibi Power & Paper Co. bonds remained at prices from 22 to 24 in spite of the fact that the company was declared bankrupt by Justice Sedgewick at Toronto on September 25 on petition of Canada Packers Ltd. It produced a sharp period of dumping of common shares, however, at prices which fell from $1.12½ a share to 37 cents a share. The bankruptcy petition came as a surprise in view of the fact that G. T. Clarkson had been appointed receiver and manager for the first mortgage bondholders on September 12 with power to borrow up to $2,000,000 if necessary, to protect the property and its development.

In directing delivery of all property and assets to the receiver, the order also provided that no legal action against the company should be undertaken or continued without leave to the court. Monies borrowed by the receiver, it was stated, were to be in the nature of a revolving credit and to rank prior to the first mortgage bonds. Mr. Clarkson stated that the plants at Iroquois Falls and Sault Ste. Marie were to remain in operation and no changes made in personnel for the time being.

On the new petition F. C. Clarkson is appointed liquidator. Canada Packers petition is on an outstanding claim of $11,323 and other claims outstanding reported include $11,754 owed Imperial Oil and $10,742 owed to Niagara Wire Weaving. As the trade creditors chose a member of the Clarkson firm as well, this will give that firm complete control in the interest of all.

On April 30, 1932, Abitibi published a balance sheet showing cash of $1,047,363, customers accounts receivable of $2,881,140, other accounts of $405,372 and bonds held of $1,517,980 in addition to inventories of $8,457,063. The secured bank loans of $2,130,000 then outstanding have been reduced to within $300,000 and there were on April 30 only $1,360,194 so that, with bond interest unpaid, there appeared to be ample resources to take care of trade creditors.

G. T. Clarkon is reported as stating that the operator of the company would proceed along the same lines as originally laid out after he became receiver and manager. It is thought that trade creditors felt it wise to have their claims definitely on a legal basis in view of the announced intention from New York to reorganize the company. So far operations are in the interests of bondholders and the banks: trade creditors wanted to be sure they are protected. The market surprise was that this additional step should be thought necessary. There is no thought that any attempt will be made to liquidate the company's business entirely. As a going concern it is worth most money, but the new action will make bondholders, creditors and others desirous of seeing a complete statement of the company's situation at an early date.

ONTARIO POWER OFFER BY HYDRO HANGS IN BALANCE

Deposits of Bonds on Sept. 30 May Decide Government Action

This week-end will be an important one for holders of bonds of Ontario Power Service Corp. The Ontario Government offer was predicated on 90 per cent of the bonds being deposited as indication of acceptance of the offer, and it is at perfect liberty on October 1 to refuse to proceed further with the matter if it so desires if the required number of bonds are not deposited.

The Ontario Government may decide on October 1, of course, to extend the period for deposit or to go through with the purchase on the basis of bonds already secured. It is understood that about 65 per cent of the total bonds had been deposited up to Wednesday.

The question of disposal of the Abitibi canyon project therefore hangs for the moment on what bondholders have done in the last two days of the month. Investment bankers are inclined to attribute the failure of so many bondholders to turn in their bonds to negligence and to a disposition to let the other fellow make the decision and take action.

Many bondholders also count on the Ontario Government extending the date for deposit.

Westminster Paper Profits Slightly Off

From Our Own Correspondent

MONTREAL.—Operations of Westminster Paper Co. in the fiscal year ended July 31, 1932, resulted in slightly lower net profits which totalled $19,970 compared with $21,336 in the previous year. A dividend of 4 per cent on the 47,789 shares of $10 par value common stock was paid involving a distribution of $18,402. Payment left surplus at $22,904.

INCOME AND SURPLUS ACCOUNT
For Year Ended July 31

	1932	1931
	$	$
Net sales	*467,415	478,247
Less: Cost of sales	331,150	344,056
Gr. earn. from oper.	136,265	134,191
Add: Misc. income	6,215	6,500
Total gr. earn.	142,480	140,691
Less: Selling and adminis. exp.	82,209	86,403
Net earnings	60,271	54,288
Less: Depreciation	15,000	12,952
Bond interest	19,142	19,500
Prov. for inc. tax	6,159	500
Surp. for period	19,970	21,336
Add prev. surp.	21,336	......
Less: Dividend	18,402	......
Bal. car. for.	22,904	21,336

*Less discounts and allowances, $17,992.

WORKING CAPITAL

	1932	1931
	$	$
Current assets	138,053	167,129
Current liabilities	51,967	98.938
Working capital	86,086	68,191
Ratio	2.65—1	1.69—1

Ontario Vineyards Start Grapes Toward Wineries Crop is Large as in 1931

Despite Surplus Wine From Former Crops, Expect $40 Price

INDUSTRY GROWS

Growers Urged to Plant New Varieties — Practice of Fortification Raises New Problems

During the current week grapes from 12,500 acres began to move on their way to the 51 Ontario wineries which constitute the most remunerative market for the products of the vineyard. It is understood that a price of $40 a ton is being paid for the grapes delivered to wineries in Ontario—this price being understood to be mainly at the instance of the Liquor Control Board—as compared with about $30 a ton in 1931 and as compared with about $19 per ton for grapes sold on the general market and for other purposes. Temporarily, at least, grape growers in Ontario are fortunate in this price from wine-makers as they are being paid about twice the market price gained by vineyards south of the line in the United States and from three to four times the amounts that are paid by the wine manufacturers of France, Italy, Spain and Algeria.

The question of price paid for grapes has been one of the principal problems met with by the wineries. As high as $80 a ton was paid in 1921, and though the price fell off to $40 a ton in 1922, it fluctuated up and down until in 1927 a peak was reached of $83 a ton. Even in 1930 $65 a ton was being paid. The value of this to the grape growers may be considered when it is realized that the yield per acre in 1931 was on an average about 2.25 tons, though 3 tons was an average for full bearing vineyards.

Wineries Take 12,000 Tons

Of an estimated total tonnage of 30,000 tons of grapes produced in the present season, it is expected that wineries will take 12,000 tons. The total tonnage has been going up since 1927 when it amounted to 11,500 tons at $83 a ton. That high price evidently stimulated the planting of vineyards, as the next year there was a total tonnage of 16,000, in 1930 22,000 and in 1931 27,000 tons. Prices have been on the down grade in recent years, but it is understood that the Liquor Control Boards have indicated indirectly that a good price should be paid for the grapes by those wineries selling to it. This does not work satisfactorily in the case of Ontario wineries, which export their products to other provinces. It means a certain loss of revenue in that the additional cost places the foreign wines at a little bit better advantage in comparison with the Canadian wines, than they would otherwise have been.

Ousting Foreign Wines

Except for the loganberry wines produced in British Columbia, Ontario is the principal wine-making province of the Dominion. Its chances of growth in Canada apparently are limited only by the taste of Canadians for wine. The climate of Southern Ontario cannot be improved on for the best wine-making grapes so that there is no natural limitation on growth of the industry. It has had considerable success in recent years in displacing imports, both of non-sparkling and of sparkling wines

It should not be overlooked, however, that imports of non-sparkling wine have on the whole kept up pretty high. Sales in 1924 were 515,847 gallons, advancing to a high of 1,138,633 gallons in 1930 and declining somewhat to 831,349 gallons in 1931-32. In 1931-32 these imports are shown as costing $1,445,391. The success of one or more companies in achieving naturally fermented sparkling wines has in the last few years of the depression tended to turn many from foreign to Canadian products. Although in 1929 and the previous year the total sales had exceeded $1,620,000, there has been a quick decline in successive years until in 1931-32 the total imported was only $298,118.

Canada Cannot Cope

Canada cannot hope to cope in total output with a country like France, which showed a yield in 1931 of 1,264,076,000 gallons or of Italy with 731,236,000 gallons, or Spain, Portugal, Jugo Slavia and other countries, whose people have been wine-drinkers for generations. However, there has been a decided growth in excellence of products for some years and especially in the case of a few companies, which feel that the future of the Canadian wine industry must be bound up in a good product. The making of sparkling wines of all kinds such as champagne, sparkling burgundy, and sparkling moselle under those or similar names, is doing much to show that it is possible in Canada to make as good wine as in older countries.

Until recently Canadian native wines had the reputation of being sweet and high in alcohol, a condition which tended to limit the consumption. It cannot be said that all wineries are giving constantly and continuously a good product at present, but it is probable that more good wines are being made today in Ontario by those who have a pride in their business than at any other time.

In going about through the Niagara Peninsula a few days ago a representative of the Financial Post was much struck by the predominance of the Concord and Niagara grapes in this district. His supposition that flavor or quality decided this predominance was rudely shaken. Wine makers, who are striving for quality, informed him that these grapes are the most prolific and the easiest to grow and that that accounts for their predominance. For wine-making, they said, other types would be more suitable if growers could be induced to plant them.

How Industry Grew

The policy of the Ontario Government after the war to unite with virtual prohibition a policy of permitting the manufacture and sale of wine in order to help the grape growers of Ontario appears to have been responsible for the growth of the Canadian wine industry. The grape-grower is given first place in the Government policy. In 1921 output was only 422,000 gallons, but in 1929 it had grown to 6,000,000 gallons of wine. There was one disadvantage in such a contradictory policy in that the existence of prohibitory laws led to many manufacturers striving through this one permitted channel to make a cheap alcoholic beverage of grapes, sugar and water, rather than to develop wines of character.

Canadian grapes in their natural condition produce a wine relatively low in alcoholic strength, but when care is exercised in manufacture and storage, these are the best wines. Many believe their use conduces to temperance. It is much easier to use cane sugar to bring the beverage to a higher alcoholic strength and at the same time, to satisfy the public demand for a beverage high in alcoholic content.

Best Wines in North

There is much controversy among wine makers on this point. Some are still strongly in favor of fortifying the wine by developing high alcoholic strength in this manner, while others feel that the future of the wine industry depends on native wines of relatively low alcoholic strength being built up on the basis of Canadian grape-growing. But grape-growers must consider what wine-makers want if they are to hold this business. Much effort is being made by wine makers to induce grape growers to put in grapes specially adapted for wine-making. It is argued by some of these that Ontario can grow grapes very suitable for wine-making and that on the basis of these Canadians could produce as good wines as any in the world. They say there is nothing in the popular idea that the best wine can be made from grapes grown in a warm country. They point out that in France and elsewhere the wines which have the greatest reputation have been grown on the border line of growth to the north.

Want "Pure" Wines Encouraged

Some makers argue that those native wines which are very high in alcoholic content, should be sold for a higher price than is now obtained, because at present prices for cheap wines, which have developed a high alcoholic content, those who purchase get far more alcohol for their money than in purchasing distilled liquors. They claim that a higher price would tend to induce people to turn from the higher alcoholic content wines to the lower. These wines are regarded as the best and they are true wines, which the others are not.

Neither Concord nor Niagara grapes will produce a satisfactory beverage wine, according to existing standards. Some plantings of Ives grapes were noted by The Financial Post representative, who was also told that the Catawba grapes of Pélee Island and of Essex county are wonderfully adapted for sweet wines. So far wineries need some imports to blend with Concord and Niagara to get best results. All could be grown in Ontario.

There are two rules in wine-making, which are above all others: continual cleanliness in every department; and laboratory control so that at every stage any deleterious change in any cask or tank can be discovered at once and dealt with.

No Crop Failures Reputed

The grape crop in the Niagara Peninsula this year is as large as last. There is never an absolute failure. In recent years, the wineries have been acquiring a surplus of wine as a result of purchases of grapes of previous crops and it is reported that now they have about 6,000,000 gallons surplus wine. This may explain why the purchases, though almost as large as previously, are smaller with relation to the whole crop, which has been growing. It would appear that special wine-growing grapes in future will do best on the market.

In 1927 the total of grapes used was 8,422 tons and 2,563,308 gallons of wine were produced and 2,240,000 gallons were sold. In 1928 out of 13,382 tons of grapes used 4,066,420 gallons of wine were produced and 2,811,000 gallons sold. In 1929 19,817 tons of grapes were used to make 5,810,000 gallons of wine of which 3,500,000 were sold. In 1930 19,000 tons of grapes were used to produce 5,700,000 gallons of wine of which 3,550,000 were sold. This made a total of wine produced of 18,100,000 gallons in these four years of which 12,100,000 were sold, leaving a 6,000,000 surplus. It is understood that this surplus has not been added to since that time and therefore there will be a tendency to more careful selection in the buying of the present crop.

The wineries, making the best wine, desire more growing of the Delaware grapes, which require heavier pruning than Concord and Niagara. They would like the Ives grapes, which also need greater attention, on the Niagara Peninsula. The Catawba needs a long season, but does well on Pélee Island and on the adjoining mainland. These wine makers state that they would be willing to pay a premium for grapes of the varieties they desire.

Hope New Tariffs Ready By Oct. 10

From Our Own Correspondent

OTTAWA. — With parliament opening on October 6, Prime Minister Bennett is driving Ottawa officials night and day in order that amendments to the Canadian tariff embodying the changes proposed at the Imperial Conference, may be ready for publication and submission to parliament at that time. Those close to the P. M. are very doubtful whether the new schedules will be ready by that time.

If the tariff amendments are ready it will mean that Canada will learn details of the famous 220 items prior to the opening of the British parliament which does not meet till October 18. If they are delayed, both parliaments may hear the details simultaneously. The British parliament is expected to be in session at least three weeks so it will doubtless be the middle of November before final ratification of the Anglo-Canadian pact is achieved.

BANKS TAKE FIRMER STAND ON NEWSPRINT

(Continued from page 1)

tive points are as follows: Boston, $44.50; Baltimore, $46; Norfolk, $46; Tampa, $46; New Orleans, $46; Chicago, $46; Cincinnati, $46; St. Louis, $46; Atlanta, $49; San Antonio, $49. The rebate of $1 on cargo lot shipments applies only to New York, Baltimore, Norfolk, Jacksonville, Tampa, New Orleans, Houston and Chicago.

Sets Price Until 1937

International Paper's contract is a five-year one, from January 1, 1933 to December 31, 1937. In it the company sets up a schedule of maximum prices which may not exceed the 1933 schedule mentioned by more than $7 a ton in 1934; $8 in 1935; $9 a ton in 1936 and $10 a ton in 1937. This schedule is to prevail except in years for which International fixes a lower price.

According to this arrangement the price in 1937 will be no more than $10 over the current quotation if these increases are made.

By its latest move, International Paper establishes the price for Canadian manufacturers until the end of 1937. It contracts to deliver newsprint in New York for the balance of this year and in 1933 at $45 a ton, while any increase between 1934 and 1937 will not exceed $10 a ton at the end of the latter year.

Canadians Get Together

Conferences were held by the Canadian manufacturers over the past week. It is not expected that these operators will make any official announcement in regard to their price policy, but will privately inform their customers that they will accept business on the same basis as that offered by International Paper to its customers.

Will Act Collectively

The discussions at the meetings brought forth the necessity of a uniform price policy on the part of the Canadian manufacturers and, it is understood, that steps have been taken to see that the operators adhere to the new price schedule. There will be no further price-cutting and in this connection the Canadian manufacturers will have the co-operation of International Paper and other large American manufacturers.

Again Hearst Contract

The change in the price policy on newsprint centres around the Hearst business, much as it did in 1927 and 1928 when the market broke. As mentioned in these columns from time to time, the Hearst newsprint buying organization, Newspaper and Magazine Paper Corp., entered into an agreement with the Dominion Newsprint Co., whereby that organization was to supply all of Hearst's newsprint requirements upon the expiration of present contracts. This contract became the property of Canada Power and Paper under a deal whereby a large block of stock was involved.

Under the terms of this agreement, it is understood that Canada Power—now Consolidated Paper—was to get the first of Hearst's business when the contract with Anglo-Canadian Pulp and Paper expires toward the end of this year.

Buy Paper Elsewhere

In September last year it was reported that Anglo-Canadian had renewed its contract with Hearst. Though official details were lacking and no public announcement was ever made, there is no reason to doubt that such was the case. Consolidated Paper was placed in the awkward position of not being able to take any definite action as its Hearst contract did not become effective until the Anglo-Canadian contract expired.

Meanwhile other manufacturers holding Hearst contracts did not let the grass grow under their feet. Unofficially, it is understood that International Paper has renewed its contract with Hearst on a basis somewhat smaller than that entered into in 1928, when International contracted to deliver 140,000 tons annually over a period of five years.

International will supply Hearst with newsprint after 1933 and following its usual one-price policy, concessions to the Hearst buying organization have been passed along to its other customers.

On the basis that Anglo-Canadian and International Paper have renewed their contracts with Hearst, other contract holders, such as Brompton and Lake St John will undoubtedly take steps to protect their position and will meet the price cut. Lake St. John's contract still has five years to run, while that of Brompton comes up for renewal shortly.

Affect Consolidated Paper

These firm contracts entered into by the Hearst buying organization with International and Anglo-Canadian, mean that Consolidated Paper is going to get substantially less business than it had expected under the original contract. During the boom years, the Hearst papers consumed over 600,000 tons of newsprint annually, but it is doubtful if consumption is much in excess of 500,000 tons at present. With International and Anglo-Canadian already in possession of a substantial proportion of this tonnage, and with other contracts still in effect, it is apparent that Consolidated Paper is not going to get very much tonnage from this source for some time.

Operations Are Restricted

The drop in the price of newsprint places the operators in a serious predicament. Were plant operations on a level of 75 per cent or more, the situation could be handled. Last year Canadian newsprint manufacturers operated on an average of about 55 per cent of capacity. At that rate, together with the higher price for newsprint, few of the operators were able to show earnings sufficient to cover all charges.

During the current year operations have declined as demand fell off. Up to date the majority of plants were operated under 45 per cent of capacity, while during the last month for which complete details are available only two Canadian manufacturers operated in excess of 50 per cent of their rated installation.

Will Lose Money

This in itself is a serious situation, but coupled with the present drop in newsprint, considerable doubt is expressed of the ability of a number of the manufacturers to cover their operating costs in 1932 or 1933. The last cut in newsprint price brings the average net returns on newsprint to about $40 to $42 a ton in Canadian funds f.o.b. the mill. In the case of one Canadian manufacturer, it is understood that the net return per ton at the mill is well under $40.

Practically all the Canadian companies have eliminated their capital charges. This is of considerable aid in helping the operators to get through the present trying period.

On the new price basis and with no immediate prospects of an increase in tonnage, however, it is to be expected that the banks will be called upon to lend further financial assistance. In view of the already heavy borrowings, the banks are sure to call for certain remedial measures before making further advances.

BANKRUPTCY HEAD HAS $50,000,000 JOB

(Continued from page 1)

perhaps even possible. The function of the federal superintendent then will be that of a liaison officer between the courts and the creditors.

Another important function of the superintendent which involves one of the major changes of the new act, is that of responsibility for the licensing of all bankruptcy trustees. Until 1923 the federal act provided for the licensing of trustees throughout Canada but this act was repealed because in practice it was found that creditors had no control over the appointment of the trustee under the terms of the legislation. Later the licensing provision was dropped and creditors were given the power to appoint their own trustee. The new act combines the best features of the two previous acts and provides that creditors may still appoint their own trustee but they must choose only a person or concern licensed under the superintendent of bankruptcy.

"There has been much shifting of responsibility from creditors to trustees which should be eliminated," said Mr. Reilley. "The great majority of trustees in Canada are men of the highest integrity and I believe the new act will raise the respect of the business community for the trustee. It will naturally take time to work out the new licensing provisions but I feel the new plan should work out well both for creditors and trustees alike."

Provisions of Licensing

No details as to how trustees will be licensed have yet been worked out according to Mr. Reilley except that licenses will be granted annually dating from December 31 and all applications will be received by the superintendent with information as to qualifications, experience and so forth. From these, recommendations will be made to the Minister of Finance and appointments made accordingly.

"What are the primary qualifications of a trustee?" I asked the new superintendent. "Capability and honesty," came the quick reply, "and particularly the latter. In small towns and villages there will probably be few men who might be termed qualified trustees from the viewpoint of their experience, but if they are men of integrity I see no reason why they should not be licensed. In some cases it may be the town or county constable, or perhaps the justice of the peace.

"Provision is also made in the act," he said, "that where a bankruptcy is far removed from any licensed trustee, the court may appoint any suitable custodian even though he be not licensed. All licensed trustees will have to deposit a small fee or bond with the Minister of Finance as evidence of good faith in addition to the bond already required in connection with each estate. The amount of the fee has not yet been determined."

Will Harmonize Practice

Another virtue of the act is the creation in the office of superintendent, of a central authority whose duty and function will be to bring uniformity into bankruptcy practice throughout the Dominion and to exercise a supervisory check on the administration of estates. In the past the theory of bankruptcy legislation has been to place the administration entirely under creditors through the appointment of their own trustee and inspectors. Thus where there was obvious dishonesty on the part of the bankrupt or the creditors or both, there was no recourse until a formal complaint was filed—an alternative all too seldom used because of the expense and trouble involved, and which in the majority of cases netted little or no return to the plaintiffs. Trustee administration will now be under a central authority, available for investigatory purposes on appeal and whose efforts will be bent directly toward harmonizing trusteeship not only within the provinces but also throughout the Dominion.

Another interesting feature of the new act which has not been generally appreciated and which may have an important bearing on its successful operation, is the wide powers it gives the superintendent to "make or cause to make such inspection of estates as is deemed expedient" and also "to make such specific investigations as may be determined," of the various complaints received by his department. These clauses embody what is virtually carte blanche to delve into the countless ramifications of individual bankruptcies and if carried out literally, might mean the setting up of virtually a national detective agency and clearing house on all phases of bankruptcy in Canada.

"Such wide powers will require to be very carefully exercised," said Mr. Reilley. "The very success or failure of the act will depend very largely on how successfully these clauses can be made effective. There is no intention of creating a vast federal machine in the nature of a detective agency of bankruptcy, but undoubtedly the authority given under the act is very great. I feel it is wise that these clauses were made general rather than that they were limited by various specific rules of procedure, but it will take time to see how effective they can be made."

Mr. Reilley goes to Ottawa October 1, and will immediately undertake the organization of the new federal bankruptcy department.

Another Oil Company Coming to Canada Soon

According to Hardware and Metal, Toronto, an important new oil concern is shortly to establish operations in Canada for the purpose of supplying its products to the Canadian trade. Details of the company's plans are withheld from publication at the moment but an announcement is expected to be made shortly in that connection. The foregoing to Hardware and Metal does not refer to an oil company which has within the last couple of months located headquarters in Toronto but has reference to an entirely new development.

FEDERAL GRAIN LIMITED

Third Annual Report of the Directors

YEAR ENDED 31st JULY, 1932

BALANCE SHEET AT 31st JULY, 1932

ASSETS

Cash in transit and with Paying Agents, etc.			$ 32,918.13
Accounts Receivable:			
General Accounts Receivable	$ 32,087.78		
Saskatchewan Relief Commission	40,877.34		
Terminal Accounts	7,604.41		
Agents' Cottage Loans	9,692.63		
Employees' Accounts	3,726.01		
			93,988.17
Advances secured by Grain			48,651.96
Stocks on Hand, as certified by Responsible Officials:			
Grain, less Stored Grain	$ 2,376,364.53		
Coal and Flour	9,557.02		
			2,385,921.55
Accrued Earnings			111,702.34
Prepaid Expenses			24,991.85
Investments:			
Sundry Stocks and Bonds, as valued at 31st July, 1930, with subsequent additions at cost			141,371.98
Bonds of the Company purchased in anticipation of Sinking Fund—Par $149,500.00—cost			105,107.50
Memberships, at Cost			85,400.00
Properties:			
Terminal and Country Elevators, Coal Sheds, Dwellings, Flour Sheds, Automobiles, Furniture and Miscellaneous Equipment, at cost	$ 8,606,131.55		
Less Reserve for Depreciation	645,280.91		
			7,960,850.64
Deferred Charges:			
Organization Expenses, less proportion written off			50,861.31
			$11,041,765.43

Approved on behalf of the Board.
H. E. SELLERS, *Director.*
T. H. RATHJEN, *Director.*

LIABILITIES AND CAPITAL

Bank Loans and Overdrafts (Secured)			$ 1,419,539.71
Sundry Creditors			830,690.56
			$ 2,250,230.27
First Mortgage Sinking Fund Gold Bonds:			
Authorized	$6,000,000.00		
Issued Series A 6%, maturing 1st August, 1949		$ 4,250,000.00	
Less Redeemed through Sinking Fund		191,000.00	
			4,059,000.00
General Mortgage 6% Debentures:			
Authorized	$1,000,000.00		
Issued to Banks as collateral, repayable on demand		$ 1,000,000.00	
Bond Redemption Reserve			15,928.11
Capital:			
Authorized—			
40,000 6½% Cumulative Preference Shares of $100.00 each, redeemable at the option of the Company			
160,000 Class A Common Shares of No Par Value			
40,000 Class B Common Shares of No Par Value			
Issued and fully paid—			
30,000 Preference Shares		$3,000,000.00	
200,000 Common Shares Amount apportioned as Capital		1,250,000.00	
			4,250,000.00
Surplus:			
Per Statement II (subject to Income Taxes)			466,607.05
Contingent Liabilities:			
In respect of guarantee of Bank Loan of Lake Shippers' Clearance Association		$ 11,000.00	
In respect of shares subscribed for by the Company and unpaid		12,100.00	
		$ 23,100.00	
Cumulative Preferred Dividends not paid since 1st February, 1931.			
			$11,041,765.43

STATEMENT OF SURPLUS FOR THE YEAR ENDED 31st JULY, 1932

Balance brought forward at 31st July, 1931		$ 482,589.79
Operating Profit	$ 765,191.72	
Deduct Bond Interest and U.S. Exchange thereon	279,946.02	
		485,245.70
		$967,835.49
Less Depreciation	$ 432,708.99	
Cost of wrecking and rebuilding elevators and losses on realization of assets, etc.	55,388.55	
Dominion Income Tax paid on 1930-31 profits	4,177.13	
Proportion of Organization Expenses written off, less adjustment	8,953.77	
		501,228.44
Balance at 31st July, 1932 (subject to Income Taxes)		$466,607.05

Capital: $1,000,000
Complete Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults
THE EASTERN TRUST COMPANY
Head Office — Halifax, N. S.
Saint John, N.B. St. John's, Nfld. Charlottetown, P.E.I.
MONTREAL
212 St. James Street W.

Montreal Grain Receipts Soar

By September 15th grain receipts at the Port of Montreal reached the 70,000,000 bushel figure which was over 10,000,000 bushels in excess of receipts at the same date last year. The exact figures were, respectively, 70,866,088 and 60,528,244 bushels.

English Grill Room
Twin Bed Room

In Windsor
the NORTON PALMER
The Border Cities' largest and most modern hotel—new—fireproof—close to everything downtown and only five minutes from Detroit.
A total of 350 guest and modern sample rooms—with the maximum of comfort and service.
Cafeteria and English Grill
◆
RATES
Single....$2.00 to $4.00
Double...$3.50 to $6.00
Twin Beds $6.00 to $8.00
Also Private Suites.

PROGRESS BOND

a fine, low-cost general purpose paper. Made in eleven colours. Ideal for inter-office letters and colour systems.
MADE IN CANADA BY HOWARD SMITH

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Gauging Future Prospects Canada's Market Leaders

International Nickel Occupies Unique Position—Actual Earning Power Low and Potential Very High—Prepared for Big Things When Prosperity Returns

Common stock of International Nickel Co. of Canada occupies a unique position among Canada's market leaders in that the company makes little or nothing in the present state of business whereas it "owns the richest mine on earth" and is equipped to make very large profits when next the world's demand for base metals becomes keen and active at advancing prices. It can only be judged in part by its past record because most market attention is fixed on its potentialities above and below ground and because its market price reflects the expectation of investors that somehow at some future time the world's demand for its key products, nickel and copper, will be greater than it has been in the past. It is the purpose of this article to discuss both performance and promise.

Future is Discounted

International Nickel Co. of Canada is primarily a mining company with refining and fabricating affiliations which make its operations international in scope. From the standpoint of past earnings and magnitude of activity it is the largest metallurgical enterprise in Canada. Its nickel production allows it to exercise practically a world monopoly and though its present earnings are insufficient for common dividends its Frood mine is recognized, paradoxically, as the world's richest mineral deposit. That mine is of such extent that the market concern is no longer as to value and extent of ore but treats the company as though it were mainly an industrial concern.

Future earnings are discounted by the market, and that has been true ever since the merger with Mond and formation of the present company late in 1928.

Spent $50,000,000 Expanding

When the common shares of the company in 1929 sold up to their peak price of $73 each, coincident with the company's maximum earnings of $1.40 per share, it became obvious that the public believed the future earnings of the company would be great indeed. At that time the primary production units of the enterprise were strained to capacity to supply the greatest sales demand the company had ever experienced for nickel, 125,577,789 lbs., climaxing a steadily ascending demand from 1922. In order to provide for the steadily increasing demand for its products the company inaugurated in 1929 a $50,000,000 expansion and development programme that would provide facilities for the annual production of 90,000 tons of nickel, 120,000 tons of copper, 150,000 ounces of gold, 3,000,000 ounces of silver and 300,000 ounces of metals of the platinum group.

As the company was completing this programme the economic depression hit the world and forcibly emphasized that in spite of the company's rich resources and practical monopoly of the world nickel trade, the company could only safely be judged as governed by world demand for its principal product, nickel, which in turn controlled the output of its by-products such as copper, gold, silver and metals of the platinum group.

Ore is Flexible

While the company is primarily a producer of nickel it is also Canada's largest producer of copper and one of the world's principal producers of metals of the platinum group. In order to arrive at the potential earnings made possible by the facilities resulting from this expansion and development programme, it is interesting to reflect that in 1929, the company's most prosperous year, the company's nickel production was little more than one-half that its present facilities would permit while its copper production was approximately one-third that its present facilities afford. Moreover, the expansion programme increased the efficiency of operation and lowered production costs to an appreciable extent. Given a market for the company's products at the prevailing prices for metals in 1929 speculators and investors in 1929 readily calculated that potential earnings would fully justify a market price of $73 a share for the common stock of the company.

To understand better the company's potential earning power it is necessary to understand the flexible nature of its chief ore deposit the Frood Mine. Nickel is the key product of the company, the production of which is directly controlled by world demand, of which International Nickel supplies 90 per cent.

Indirectly copper and metals of the platinum group are by-products of the nickel production, but as depth is reached in the mining operations at the Frood Mine, the copper content as well as the platinum metal content of the ore becomes progressively richer while the nickel content of the ore remains relatively constant. This fortunate situation permits of adjusting copper production to the point where full advantage of the market can be taken by increased production when prices are high, while during a period of low copper prices, production can be lowered. The production of copper and the prevailing price for the commodity are all-important to the company because each one cent advance in the price of copper, based on capacity operations, means increased income of $2,400,000. That is, with a price of 12 cents per pound for copper and making use of the company's full copper refining facilities, an income from this source would be approximately $29,000,000, or $2 a share. Roughly each one cent per pound advance in copper on the basis of capacity operations means 16 2/3 cents in earnings per share.

Gets Lots of Platinum

The platinum production by the company, too, is becoming increasingly important. While production of nickel is currently at low ebb, and while the 1931 production was approximately one-half that in 1929, the production of platinum metals rose to three times that in 1929 due to mining operations being principally confined to the three Frood deposits.

While production facilities have been increased to a high state of efficiency, these facilities cannot elicit the company's potential earning power until the company's products can be sold. Consequently, the progress of the earnings position of the company in the future will be directly affected by its ability to find profitable markets.

Nickel Uses Grow

Just what steps the company is taking to expand and extend the uses of nickel is an interesting factor in its history. Following the period of the Great War and the slump in the armament business which constituted then the main demand for nickel, a research bureau was established to co-operate with industrial concerns in working out increased uses for the metal. The success of the company in creating industrial demand to replace the armament business is told by the production in 1929, which was over six times that in 1922, or greatly in excess of the best year when armament business formed the principal demand for the metal. The success that the company has had in building up new markets during the past ten years exemplifies the increasing diversification in applications of nickel. That this increased application is continuing is evident, but low industrial activity has curtailed the aggregate demand and brought consumption to the level of nine years ago.

Declares War on Rust

One feature in connection with nickel consumption that is worth watching is the basic trend toward increased use of alloys, or alloys using increasing percentages of nickel. Nickel has the characteristic of not only improving the physical strength of steel but also of greatly reducing its oxidation or rusting tendency. Since we are living in an age of increased efficiency that demands the elimination of waste, nickel is one element that plays a great part in combatting this waste. When one visualizes the toll that is annually being taken by rust the possibilities for increased use of nickel are better understood. The present era demand for alloys is comparable to the quick growth of the steel industry half a century ago and there are reasons for expecting that future years will see great strides in the increased use of alloys, particularly rust-resisting alloys which are of vital consequence to International Nickel.

While the company is active in its research department and has enjoyed a large measure of success in introducing many useful products, nickel is not without competition from other metals and just what inroads these other metals will make in the future market of nickel is now only a matter of conjecture. Chromium is coming into greatly increased use on account of its silvery surface. The suggestion has been made that this is replacing the important market for nickel. The reverse, however, is the case as successful chromium plating must have a substantial nickel base, and therefore the increased use of chromium plating directly affects the demand for nickel. Broadly speaking, in the past it has been indicated that increased use of any metal means increased use for all, and that the general trend of one helps make demands for others.

Retreated in Good Order

From the foregoing it will be seen that the reduced earnings of the company have reflected an orderly retreat in production occasioned by falling industrial demand. In making this retreat inventories have been kept on an even keel in order to provide an adequate supply of current consumption requirements, and while slightly higher than in 1929, the peak year of consumption, are considered no more than adequate as the stocks at that time were insufficient for the magnitude of operations. While the working capital of the company has been steadily declining since 1929 it must be taken into consideration that it was not until December last year that the last of the $50,000,000 expansion and development programme was completed, making heavy demands for capital expenditure. This has now been called to a halt and with common dividends passed and earnings sufficient to meet preferred dividends and interest charges it would seem adequate for all normal contingencies.

The funded debt of the company amounts to approximately $8,000,000, comprising principally debentures outstanding by subsidiary companies in England. Carrying charges on this funded debt are approximately half a million dollars annually, which, together with preferred dividends of approximately $2,000,000, are currently just being earned and unless the company's earnings position gets worse there would appear to be no occasion for passing preferred dividends.

In summing up, the management, which is the life blood of all corporations has been an inseparable factor to the success of the company in the past. Its board of directors reads like an international Who's Who, while its technical staff and production executives are recognized leaders, aggressive and alert to increase efficiency.

Summing up the company's present position it can be said that it owns the world's richest known mineral deposit, has just completed production facilities that are up to a potential capacity many times that previously possible, has achieved a current financial position that is adequate to carry present diminished earning power of the company through all foreseen contingencies, and it is now only awaiting the return of normal metal prices and industrial activity to display its earning potentialities.

Canadian Rail

Can you give me any information regarding Canadian Rail & Terminal Harbor 6½% bonds due in 1951? I would like to know their present value, their marketability and whether you consider them a safe investment.

The 6½ per cent first mortgage sinking fund gold bonds of Canadian Rail and Harbour Terminal Limited due March 1, 1951, were recently quoted at 36 bid but there is very little market for this issue.

The company reported an operating profit of $289,942 in 1931 as compared with operating profit of $358,604 in 1930 and $318,137 in 1929. Operating profits in each year since the Terminal was placed in operation have been insufficient to meet financial charges and depreciation which amounted to $489,457 in 1931, leaving a deficit for that year of $199,515. At December 31, 1931, the deficit of the company carried forward into 1932 was $1,164,938. The company has outstanding $3,500,000 of 6½ per cent first mortgage bonds, $2,000,000 of 7 per cent general mortgage bonds and $305,000 of 7 per cent debentures. Interest on both the general mortgage bonds and the debentures went in default in 1931, but the company has continued to pay first mortgage bond interest although the payment on September 1, 1932, was paid in Canadian funds only. The trust deed of the first mortgage bond issue calls for payment of interest and principal in Canadian funds in Canada or at par of exchange in New York or London.

The company operates a modern terminal warehouse at Toronto which includes a cold storage department and ice-making plant. A good business has been developed but reduction in general business activity in the past two years has affected the volume of business available and competition of a more or less temporary nature has sprung up with the use of vacant buildings for warehousing. With two junior issues in default it is apparent that the first mortgage bonds of this company can hardly be considered a safe investment.

Dominion Woollens

I am the holder of a Dominion Woollens 6 per cent bond and would be glad to know your opinion of the value of this and the prospects of the company. Would it be advisable to exchange this bond for some other? Also should Burns & Co. preferred stock be held for appreciation? What is your opinion of the company's prospects?

Dominion Woollens and Worsteds, Ltd., was unable to earn its first mortgage bond interest charges before provision for depreciation and bank interest in the years ended June 30, 1930, and 1931, and while the annual statement for the year ended June 30, 1932, is not available it would not appear that the company was any better off in that year. At June 30, 1930, the company had an operating deficit of $166,971 shown on its balance sheet and this had increased to $744,822 the following year. Unofficial advice indicated that reorganization of the company is an immediate prospect and that there is a distinct possibility that the company may default on first mortgage interest due December 1. Details of the plan of reorganization are not as yet available but we know that institutional investors are actively interested in the plan and presumably their interest will coincide with the interest of small investors such as yourself. Just how long it would take the company to improve its business to a point where first mortgage bond interest charges could be met it is impossible to say at the present time.

So far as we are aware the position of Dominion Woollens is not generally known, but there is very little market for the bonds.

Burns and Company is now practically under the control of a first mortgage bondholders protective committee and bondholders have agreed to waive interest and sinking fund payments until December, 1933. The prospect for preferred shareholders does not seem bright in the immediate future although improvement in commodity prices and in export trade might enable the company to show a fairly sharp recovery in earnings during the next few years. The extent of such a recovery would depend largely upon the trend of general business conditions.

Royalty Trust Certificates

I have been approached by a representative of Bonded Royalties, Ltd., Waterman Building, St. James Street, Montreal, who wants me to buy Royalty Trust Certificates at $10 a share. Imperial Trusts Company of Canada are the trustees. The proposition as represented to me is absolutely safe and permanent and giving a minimum yearly yield of 20%. This sounds too good to be true and there is probably a catch somewhere but I do not know where it is.

I have 17 shares of the Montreal Power Debentures and the representative of Bonded Royalties is urging me to liquidate them and invest the money with him.

To decide whether or not the representative of Bonded Royalties is correct in stating that the Royalty Trust Certificates at $10 a share are absolutely safe and permanent and give a minimum yearly yield of 20 per cent you have to consider what is behind those trust certificates. It is our understanding that the company invests the money received in this way in oil royalties in the southern states; and in so far as these royalties cover producing property whose revenue is enough to maintain service on the Royalty Trust Certificates his representation would be supported. That depends altogether on those who select the royalties to be bought and on the price paid for those royalties. It also depends on the flow of oil on the properties in question continuing.

It is the history of all wells that after they have come to their peak they fall away and in many cases very rapidly. Income from an oil royalty today might be ample to cover such certificates for a year or so, and the next year or the year thereafter there might not be any production or any income at all. There are undoubtedly fields with a record of long life wells but the majority give commercial production for two or three years or less. You will therefore realize that in buying such certificates any return would have to be considered as in great part return of capital. Without knowing and inspecting all the royalties one could not tell whether a 20 per cent return would be sufficient for this. The whole question is, how long would that return last?

The Financial Post understands that the company has been paying 1 per cent per month with an occasional bonus when earned. That might go to 20 per cent but that a yield of that kind would be permanent does not appear likely.

Montreal Power debentures have a ready market and safe return. The power of the company is not a wasting asset such as those behind the Royalty Trust Certificates. You would have to seek your market for the Royalty Trust Certificates either with the company or by your own exertions. They are not easily marketable.

Rolland Paper

Some years ago I bought some bonds of Rolland Paper Co. Can you tell me how this company is getting on? Do you know if earnings are satisfactory?

Though Rolland Paper Co. has issued no figures during the current year, our understanding is that earnings have been relatively well maintained and that interest charges have been earned to date. The company has a satisfactory record since its inception four years ago; previous to that time it had been in operation since 1882 under private ownership. Prices in the fine paper industry have been relatively stable, as yet, there has been no reduction as in the newsprint industry. The last balance sheet showed a satisfactory position.

Regal Bakeries

Will you give me what information you can regarding Regal Bakeries? A few years ago I bought ten shares of common stock. Is this a loss?

On March 19, 1931, George Weston, Ltd., acquired Regal Bakeries' plants at Toronto and Oshawa. The price was said to be $500,000, partly in cash and partly in stock. No public statement has been made by Regal Bakeries as to its disposition of the assets thus acquired for the plants. As a shareholder you have a right to enquire. Requests for information from this department have not been honored, but letters from you and other shareholders indicate that a clear statement would be much appreciated by the shareholders, who would like to know what there is to divide, if anything, and if there is to be no distribution, why not.

Dominion Bridge

Has Dominion Bridge Co. much work on hand and what are prospects for this company? I have considered buying some of the common stock but do you think the dividend is secure?

Plant activity of Dominion Bridge Co. is at a low ebb owing to the decline in building and earnings of the company in the fiscal year ended October 31 wil probably show a substantial reduction from those of the previous year. Prospects for an early improvement in constructional activity are not impressive at the moment, but owing to the wide operating scope of Dominion Bridge it may be expected that its operations will readily reflect any betterment when conditions improve. The strong cash position of the company, as shown in its last balance sheet, is a factor to be noted in viewing the stock from an investment angle; the possibility of discontinuance of dividends, however, should not be overlooked in these times when managements are seeking to conserve resources.

B. A. Oil

I bought twenty-five shares of B. A. Oil during the depression and received two for one share, making fifty shares in all. Should I sell or continue to hold?

B. A. Oil appears to be maintaining a strong front against the decreased buying experienced in most industries as a result of the depression. It has improved its operating position immensely since you bought the stock and is a fully integrated oil company with a new and modern refinery at Montreal, growing production in Oklahoma and Texas and a fleet of steamers leased or owned to transport the crude by sea and lake.

Every industry has its own set of perils to guard against and the oil industry is no exception. The only wonder is that it has held up so well through the depression against some recession in demand, growing potential sources of supply, distress sales in the United States and a threatening surplus supply. The tariff has protected the Canadian oil companies against being swamped by the excess gasoline of the United States, but through one channel and another the pressure of world supplies must be increasingly felt on Canadian oil prices and sales until the world situation itself is relieved. B. A. Oil is well managed and in a good position to confront such pressure if it develops and to take advantage of increasing use of oil when business revives on a scale worth while.

Panama Pacific Grain

I would like to know what you think of Panama Pacific Grain Terminal as an investment.

Early this year Panama Pacific Grain Terminals was asking payments from shareholders who were in arrears on calls made on them in the years 1929 and 1930. The company was fully owned by producer shareholders in Saskatchewan and Alberta and was very hard hit on account of drought conditions in 1930 and 1931 in the West. This made it difficult for shareholders in many instances to pay calls made on them for the purpose of obtaining operating capital. Early this year the company leased the elevator to the Alberta Wheat Pool which operated the elevator, under lease from the company. The company had some difficulty paying the bond interest of $12,700 falling due on July 2, 1930, and the city of Victoria as guarantor of the issue got after the company. The company was able to pay the bond interest shortly after that date, and since that time the Alberta Pool pays the rental direct to the city, thereby keeping bond interest paid.

The company has not in recent years been receiving sufficient rental over and above the requirements of the bond interest to the city of Victoria to make it possible to pay a dividend to shareholders. The terms of leasing protect the interests of shareholders for the time being, but does not give sufficient money to pay dividends. Early this year there was a small balance still owing to the contractor. It is stated that, when farmer shareholders pay the calls referred to, this small balance could be wiped out.

The company owns a 1,500,000 bushel grain terminal in the city of Victoria. In addition to the bond issue of $508,000 guaranteed by the city, there was offered to the public $1,000,000 in common shares of $10 par value. The Canadian National Railway agreed to carry freight cars direct from the terminal on the Fraser River to Victoria. In about four or five months it might be interesting to ascertain whether the improved crop for 1932 has been of assistance to the company.

Directors are: Dr. H. E. Murphy, Milestone, Sask., president; C. S. Holden, Indian Head, Sask., vice-president; Robert C. Clarke, Rosetown, Sask., second vice-president; J. Maher, Swift Current, Sask., and A. J. Gibson, Regina, Sask. The secretary-treasurer is G. Langton.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Senator Oil & Gas

In 1930 I bought several hundred shares of Senator Oil & Gas Development Ltd., whose head office was at Ottawa. This company was developing oil properties at Wainwright, Alberta. I would appreciate your opinion of the personnel of the board and whether this company is at the present time, or intends proceeding with the development of property.

The Senator Oil & Gas Development Co. was formed to prospect for oil in the Wainwright area, Alberta. This area did not respond in the manner anticipated and after several years there is no profitable production being taken from the district. The company drilled one well to a depth of 708 ft. where it has been standing cemented for many months. There is nothing to indicate that drilling will be resumed or that the company's holdings have any latent value.

The last list of directors in our possession included responsible men, but men unfamiliar with the oil industry.

The company is without funds to complete any conclusive development programme and there is no established market for its shares.

Howey Gold Mines

What progress is Howey Gold Mines making? Is it paying expenses and is there a likelihood of it ever paying a dividend? Is the management of the property in responsible hands, and is there sufficent ore to ensure operations being continued for some time?

Howey Gold Mines is currently giving a good account of itself and in a few weeks will have wiped off entirely the $600,000 that has been owing to the company's vice-president. Earnings will then accrue for the benefit of dividends which the president states he hopes to inaugurate late in 1933. A change made in the management a little over a year ago has been coupled with a period of progress, and although the ore mined is the lowest grade in Canada, production costs also are the lowest and a profit of approximately $1 per ton is being made. Mining has been stepped up to approximately 1,000 tons daily, while the monthly production is approximately $100,000. Deep development work is being carried on below the present 1,000 ft. horizon and reports indicate that the ore persists at deeper levels and is of somewhat better grade.

The company enjoys excellent management and has sufficient ore for at least three years supply at current milling rates with prospects for more.

Sudbury Lode - Gilbec

Would you kindly give us a report on Sudbury Lode also on Gilbec Mines as to whether there is any development going on, and is there any prospect at all of its ever being worth anything?

No work has been done at the Gilbec Mines for some time. The company is without funds to carry out any conclusive programme and according to last report had outstanding liabilities of approximately $2,500. There is nothing to indicate that work will be resumed in the immediate future.

Sudbury Lode Mines surrendered its charter on April 22, 1931, and shares in the company are without value.

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COMPANIES AWAIT VALUATION BASIS FOR SECURITIES

Last Year Die Was Cast on Oct. 9 by U. S. Insurance Commissioners

BIG SUM INVOLVED

Assets of Canadian Companies and of British and Foreign Companies Here Over $1,300,000,000

As Canadian insurance companies enter upon the fourth quarter of 1932, the problem of security valuations looms increasingly large.

At the end of 1931 security holdings of federally licensed Canadian insurance companies and of British and foreign companies in Canada totalled just over $1,300,000,000. This total was divided as follows: life companies in Canada, $491,000,000 of bonds and debentures and $369,600,000 of stocks; bonds and debentures of British and foreign life companies in Canada, $331,000,000; Canadian fire and casualty company bond and debenture holdings, $34,700,000, stocks, $10,400,000; bonds and debentures in Canada of British and foreign fire and casualty companies, $82,600,000.

"Allowed" Values Used

This is on the basis of "allowed" valuations which these companies were permitted to use for their official government returns for 1931. The special valuation basis was approximately the market valuation of securities as at June 30, 1931, instead of the customary date of December 31. The last day of June was chosen because values at that date approximated almost exactly the average price of securities on the exchanges for a range of five quarterly periods ending September 30, 1931.

This plan was decided upon by the security valuations committee of the National Convention of Insurance Commissioners of the United States and was announced last year on October 9. It was adopted with variations by the majority of insurance jurisdictions in the United States and Canada. The chairman of this committee is George S. Van Schaick, New York's commissioner, and if this year's announcement is forthcoming at the same time as last year, it will be only a few days now before the all-important decision will be known and insurance companies in Canada will be able to calculate whether or not the suggested U. S. basis of valuation will this year be acceptable to them.

No Word as Yet

The Financial Post has sought information on this point from Mr. Van Schaick but no definite statement was available as at time of going to press.

In view of the fairly steady appreciation which has taken place in security values since the end of June, 1932, it would not be surprising if the decision of the United States superintendents this year were delayed to ascertain as closely as possible how much appreciation is likely to take place in the next three months. If the security markets were to make further substantial recovery it would doubtless have an important bearing on the action of superintendents in regard to security valuations. Last year the federal insurance department at Ottawa waited till virtually the last day of the year to make its decision—much to the discomfiture of most companies who were anxious to know as early as possible on what basis their annual statements could be computed.

In the intervening 12 months much has happened to security values. A small rise in prices in the spring of the year was quickly annihilated and by June, 1932, the discarded values of the end of the year had been virtually cut in half as far as stocks were concerned, while bond values were lower by nearly 30 per cent. The upturn since June 30, 1932 (which marked the low-point of the decade) has brought welcome relief. An analysis of security values as measured by Dow-Jones averages, reveals the following:

40 Representative Bonds—
- Now 15.7 per cent above low point of June 30, 1932.
- Now 6.5 per cent above December 31, 1931.
- Now 15 per cent below "allowed" values of June 30, 1931.

30 Representative Industrials—
- Now 72 per cent above low point of June 30, 1932.
- Now 7.5 per cent below December 31, 1931.
- Now 51 per cent below "allowed" values of June 30, 1931.

Security price averages of bond and stock values as compiled by Dow-Jones at the key dates referred to above, are as follows:

Dow-Jones Stock Bond Averages

	40 Bonds	30 Indus. Stocks
Current quote (Sept. 23) ..	81	74
Extreme low point (June 30, 1932)	70	43
Year end quote (Dec. 31, '31)	76	80
Quote as at "allowed" date (June 30, 1931)	95	151

Van Schaick's Views

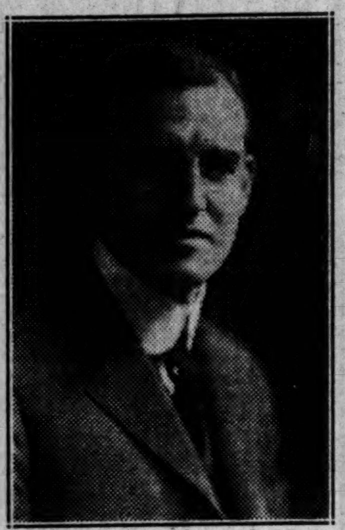
That the New York Commissioner of Insurance is still thoroughly convinced of the virtue of an "allowed" valuation basis in times of depression, with provision for amortization in the case of bond holdings of insurance companies, is indicated by an address given by him before the annual meeting of the National Association of Insurance Agents, held at Philadelphia last week. Mr. Van Schaick also indicated to the agents that a problem which should be very seriously considered was the need for average valuations in times when prices are unduly high, as well.

His address was in part as follows:

"If it were not for the application of such common sense rules in the valuation of securities," emphasized the speaker, "the effects of a depression would be much greater than have occurred so far. The insurance companies are the largest holders of securities. If it were necessary for them to calculate their worth from day to day from the vagaries of the exchanges the probable result would be the periodic dumping upon the market of vast blocks of high grade securities. This would in turn aggravate the financial stringency which had brought about the necessity of the sale. The stabilizing effect of the amortization of bonds has been very great. The similar effect of the range of the market for the valuation of stocks and bonds not subject to amortization is likewise apparent.

"The problem will remain when the pendulum swings again to stock exchange values that are abnormally high, as to whether the same range of the market principle ought not to apply in boom times as well as times of depression. Safety of management as well as consistency would seem to demand it. The daily stock exchange quotations as a standard of valuation may be as erratic on the high side as on the low. The principle of amortization is in accord with such application. Heretofore the use of average values has not been resorted to when exchange prices were too high.

Heads Life Convention



JOHN M. LAIRD
President of the American Life Convention which meets in Toronto next week. He is vice-president of the Connecticut General Life Insurance Co. and was born at Bayfield, Ont.

SEES NO CHANCE OF LOWER RATES ON AUTO POLICIES

R. N. Cornish Discusses Insurance Company Interest in Traffic Control

That 1932 experience holds out no hope of relief to motorists by way of lower automobile premiums, was the opinion expressed by R. N. Cornish, secretary at Montreal of the Canadian Automobile Underwriters' Association before the annual convention of the Canadian Good Roads' Association, held at Digby, N.S., recently.

Discussed Traffic Control

Mr. Cornish's remarks were devoted largely to a discussion of the address of W. S. Canning, of Philadelphia who spoke on "Uniformity in Traffic Signs and Signals." His remarks were in part as follows:

"Having on several occasions been asked what is the insurance companies' interest in uniformity of traffic signs and signals and also the matter of safety on our highways, I should like to take this opportunity of saying that it is a two-fold interest. Primarily, the companies are a far from negligible part of the public who use the roads and who suffer or benefit from them according to their adequacy, and secondly, because the practice of sane safety measures will, it is hoped, tend to lessen the frequency of accidents which is reflected in the cost of automobile insurance to the public

"From personal observation it is my belief that mechanical signals in cities and towns are more efficient than the fallible human traffic signal, commonly termed 'traffic-cops', in that the former, although subject to mechanical break-down, are consistent and are not subject to temperament, or should we say, the temper of the latter.

"It is a fact that there is still in the North American continent quite a variation in the operation of mechanical signals which is most confusing to motorists entering into a jurisdiction whose regulations are dissimilar to those of the locality in which they reside and I therefore feel that the sooner we have uniformity in this matter from Coast to Coast, the better it will be all around.

"The insurance companies have been studying their business with great care, more particularly during the last three years, with a view to effecting a saving of cost to the insuring Public, or at any rate to avoid increasing this cost. The ever-mounting frequency of accidents, however, which is becoming monotonous in its annual regularity, has not, so far, permitted the end which they have had in view and unfortunately the record of the current year in so far as can be judged at this time, does not show any improvement."

Insurance Inklings

T. H. N. FLEMING, C.L.U. was elected president of the life Underwriters' Association of Calgary at the annual meeting held on Sept. 12.

W. F. NEWELL has been appointed branch manager at Stratford for the Continental Life Insurance Co.

A. W. McCALLUM, for many years with the Sun Life Asscrance Co. in Shanghai and Singapore has returned to Canada as manager of the Alberta Southern Division of the Confederation Life Association.

J. B. HAYDEN has been appointed district manager at Kingston, Ont., for the Great-West Life Assurance Co.

CHARLES C. MARTIN has been appointed manager of a second Toronto branch office opened by the Great West Life Assurance Co. in the Canadian Bank of Commerce building, King St. W. The new branch office will be known as Toronto branch No. 2.

OUTLINES BASIS OF LIFE CONTRACT

President of Equitable Life Lauds Sound Principles of the Business

The soundness of the principles upon which the life insurance contract was founded were stressed to agents of the Equitable Life Assurance Society of the United States by Thomas I. Parkinson, president of the company at the annual convention of the company held in Montreal.

Mr. Parkinson said that the security of life insurance was based upon the inherent fundamentals imbedded solidly in the plan of life insurance and not as a result of financial genius or extraordinary management of any individual executive. He pointed out that reliance upon mortality tables, which experience of many years had endorsed, and upon the principle of the accumulation of funds at an average rate of interest over a long period, was the basis of life insurance security.

Deed of Trust

Another important element contributing to the security of life insurance was the reliance upon the fact that a policyholder would remain such even though a financial emergency might cause him to borrow on his policy to avoid a hardship. The general practice of policy loans, he continued, was in no sense to be regarded as an abandonment of the principle of continuous membership in a mutual company. The unwritten law of life insurance is the deed of trust which each policyholder makes with all the other policyholders and all of them with each individual.

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)

Capital (fully paid) £ 3,780,192
Reserve Fund ..... £ 3,780,926
Deposits £49,416,177

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(Members of the London Bankers' Clearing House)

THE ONTARIO EQUITABLE LIFE AND ACCIDENT INSURANCE COMPANY
Head Office — Waterloo, Ont.

Assets (Dec. 31, 1931) $ 8,125,139
Policy Reserves 6,846,054
Insurance in Force ... 51,355,672

SOLID AS THE CONTINENT

At a time when people think primarily of security and when there is such vital need for protection against the future, Life Assurance is the best and in most cases the only means of securing it.

ESTABLISHED 1881 · SOLID AS THE CONTINENT · A MUTUAL COMPANY · ALL PROFITS PAID TO POLICYHOLDERS

The North American Life, a purely mutual company, returns all profits to policyholders and has $118 for every $100 liabilities. It is one of the strongest financial institutions on the Continent.

ASSETS $46,855,113

SURPLUS $7,007,959

NORTH AMERICAN LIFE

Current Events in Banking World

Banks Again Accept Brokers' Call Loans With Stock Collateral

Have Not Encouraged This Business for Past Year or So

VALUABLE OUTLET

About $600,000,000 of Canadian Banks' Funds Invested in This Way in 1929

Stock market activity of the past two months has again created a demand for call money, one of the most important outlets for banks' and trust companies' surplus funds. Canadian banks are beginning to lift the virtual ban which they placed on this class of business during the past year or so and brokers and others are again able to obtain advances against stock exchange securities.

While bankers interviewed by The Financial Post declared that the banks had never shut down completely on this class of business there is no doubt that in the falling market of 1930 and 1931 it became increasingly difficult to obtain accommodation and that a point was reached when banks were unwilling to advance against any securities other than the highest class bonds.

Lack of confidence in long term securities during the past year resulted in an over-supply of call money in New York and interest rates were such as to provide to incentive for Canadian banks to offer any large amounts of their funds in this market. A return of confidence which has been evident during the past two months has resulted in considerable investing in permanent securities by United States banks and trust companies and the consequent withdrawal of money from the call market.

While the rate is still unattractive to Canadian banks, any increased demand will tend to move it upward and again provide an important medium for the investment of surplus funds.

Over Optimistic

During the frenzied finance period of 1929 banks became imbued with the prevailing spirit of super-optimism and extended there credits to such an extent that they materially helped to push the market to the high point which it reached in September, 1929, according to one banker. Difficulties experienced when the market broke in obtaining additional collateral and repayment of the loans or in selling out the securities before the loan was impaired, have made the banks much more conservative in the handling of this type of business, he said, and a repetition of comparatively easy credit of that period it not expected.

There is no call loan market in Canada in the true sense of the word, the chief reason being that the demand for this line of credit is not sufficient to warrant its operation. Loans in Canada, made against stock exchange securities, are operated in a very different manner from those in New York, London and other large financial centres.

In Canada, a broker obtains a credit against securities which are deposited with his bank and the bank then finances his day to day transactions. For example, to liquidate his daily balances on the exchange the broker must deposit his certified cheque for the amount of the transaction. His bank certifies his cheque for the required amount even though his deposited security is not sufficient to cover the amount required and the broker has to deposit securities with the bank before the close of business that day to increase his collateral to the necessary level.

No Canadian Call Loans

These so-called "call loans" are only that in name and are virtually current loans running on from month to month with the security changing daily. While subject to call on short notice, this rarely happens and even when it does brokers are allowed at least 24 hours in which to obtain funds to redeem the loan.

Call money in Canada is also offered by trust companies and industrial concerns on occasion. However, this forms a small proportion of the total amount offered and has proven to be unsatisfactory in times of stress. Banks object to these agencies entering the market, as, in a market reaction, they are the first to withdraw, putting the complete burden on the banks from whom they have taken legitimate business. The situation is such that during the last market upheaval when private agencies were clamoring for the repayment of their call loans, the banks refused accommodation to their customers who were also debtors of these private agencies, and who wished to repay this indebtedness.

Through Stock Exchange

In New York the situation is rather different. The chief agency for placing call money is the stock exchange and the banks, trust companies, and other concerns with money to loan on call advise the stock exchange daily of the amounts available. Borrowers are allotted to them strictly on rotation and have their obligations met by the banks on the guarantee of deposit of securities.

Call loans in New York are repayable on an hour's notice and, except in time of stress, borrowers usually experience no difficulty in obtaining accommodation elsewhere.

Interest rates in Canada do not vary much from year to year, ranging from 6 to 7 per cent, and are not influenced to any extent by the supply and demand for short term money. In New York, on the other hand, the rate changes rapidly, depending on the demand, the range of the renewal rate in recent years being from over 20 per cent on certain days in September, 1929, to 2 per cent at the present time.

Loans In New York

The value of the New York call market to Canadian banks is seen in the amount of money loaned on this market in times of market activity. Thus, in September, 1929, just prior to the first break in the bull market, the total amount of call loans abroad of Canadian banks was $313 millions, almost all of which can be safely assumed to consist of call loans in New York. By July, 1932, this amount had been reduced to less than $76 millions, a drop of $237,000,000.

A similar drop has taken place in call loans in Canada, the comparative figures being $275,000,000 in September, 1929, and $111,000,000 in July, 1932, a decrease of $164,000,000. Therefore, at the end of July, 1932, the latest date for which complete returns are available, total call loans of Canadian banks were more than four hundred million dollars less than at the end of September, 1929.

This decrease in call loans is common to all banks on this continent, perhaps the most illustrative figures being those of the call loans to members of the New York Stock Exchange, as published by the exchange. In September, 1929, these loans amounted to $8,500 millions, or 9.8 per cent of the market value of all securities listed, while in July, 1932, they had been reduced to $242 millions, only 1.18 per cent of the value of all listed securities.

Lack of Demand

Owing to the lack of demand for call money and unwillingness of the banks to venture largely in this market they have been forced to invest a greater amount of their availabe funds in permanent securities. Thus, the amount invested in government securities at the end of July, 1932, was greater by over $130 millions than in September, 1929, while the amount invested in public utility and railway securities was $55 millions greater.

Official returns of the Canadian chartered banks show that only five banks employ their funds in the New York call market. These are the Montreal, Royal, Commerce, Nova Scotia and Dominion, the latter two banks having only comparatively small amounts outstanding there.

Banks Call A Halt In Branch Closings

Closing of only four branches by Canadian banks in August marks a halt in the wholesale closings which started in March, 1931. Of the four branches closed two were Cuba branches of the Royal Bank so that only two offices were actually closed in Canada. Banque Canadienne Nationale closed a branch in Montreal, Que., and Canadian Bank of Commerce one in Sherridon, Man.

No branches were opened during the month.

Since the beginning of the year 149 branches have been closed of which 140 have been in Canada and only 8 have been opened, all in Canada.

Bank Chat

Canadian Bank of Commerce announces the following staff changes:

M. V. HOLDSWORTH, formerly in charge at Sandwich, Ont., has been appointed manager at Dresden, Ont.

G. E. R. GAUVIN will be in charge of the Sandwich, Ont., branch and will sign pro manager.

Saskatchewan Forms Group to Study Bank Act

Saskatchewan Government has invited eight citizens to join Peter McAra, Regina, chairman, and T. A. McInnis, commissioner of publications, Regina, secretary, to form a committee to study the Federal Bank Act with a view to sending recommendations for amendment to Ottawa. The following have been invited:

John Morrison, farmer, Yellow Grass.
Joseph Hill, farmer, North Portal.
W. D. Dunbar, farmer, Yorkton.
Harry Perry, representing labor, Regina.
A. W. Irwin, business man, Moose Jaw.
J. D. Millar, wholesale grocer, Saskatoon.
W. C. Payntor, merchant, Tantallon.
R. H. Milliken, barrister, Regina.

This committee of ten will serve without remuneration and while several have not yet announced their acceptance it is expected that all will agree to act.

The CANADA LIFE Assurance Company
Established 1847
Canada's Oldest Life Insurance Company

MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE · FIRE
BRITISH CANADIAN INSURANCE COMPANY
ESTABLISHED A.D. 1917

STUDY PROPOSAL FOR CENTRAL BANK AT FALL SESSION

Parliament Will Consider Possibilities When Bank Act Revised

One of the largest and most important tasks to be performed by the legislators during the coming winter will probably be the fourth revision of the Bank Act. The last decennial revision took place in 1923 and at that time required three months of hard work by the committee on banking and commerce to make the changes deemed necessary by the majority of that committee.

Many of the proposals brought forward in 1923 will undoubtedly be aired at this session but there is one important proposal which will be introduced for the first time in Canada and that is the establishment of a Central Bank. In February of this year, Premier Bennett told the House of Commons that when the Bank Act came up for review the establishment of a central bank to act as an agency for both the rediscounting of bank credits and the settlement of international accounts would be seriously considered.

Bank Mergers

Banks which have disappeared by absorption since the 1923 revision, with the dates of the absorption, are as follows: Bank of Hamilton, December 31, 1923; Banque Nationale, April 30, 1924 (this was absorbed by the Banque d' Hochelaga which assumed the name of the former); Sterling Bank, December 31, 1924; Molson's Bank, January 20, 1925; Union Bank, August 31, 1925; Standard Bank, November 3, 1928; Weyburn Security Bank, May 1, 1931. The Molson's Bank was taken over by the Bank of Montreal, the Bank of Hamilton and the Standard Bank by the Canadian Bank of Commerce, the Union Bank by the Royal Bank, the Weyburn Security Bank by the Imperial Bank, while the Sterling Bank was taken over by the Standard Bank which, in turn, was absorbed, as already indicated.

At the time of the 1923 revision, the Progressives demanded that the Government deprive the banks of the privileges of note circulation and at the coming session it is the opinion that this demand will be renewed. It seems unlikely that they will be any more successful than they were in 1923.

Canada now has about $150,000,000 of Dominion note circulation and against this is obliged to maintain a reserve of at least $70,000,000 in gold. The withdrawal of note circulation privileges from the banks would necessitate the increase of this gold reserve to guarantee an additional $125,000,000 of notes, this being the amount of bank note circulation. As this reserve is nonrevenue producing it is unlikely that the government will feel disposed to increase its burden at this time.

Long-term Credits

Farmers' representatives at the 1923 revision repeatedly urged the formation of a system which would assure farmers of long-term credits not available through the chartered banks. Results of these demands are seen in the formation of the Canadian Farm Loan Board and the Canadian Development Association, both of which organizations have supervised the lending of money to farmers but neither of which have handled any considerable amount of business.

THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON ENGLAND
LIFE FIRE CASUALTY

Total Assets of all Branches Exceed - - 1240 Million Dollars
Claims Paid Exceed - - - - - - 1850 Million Dollars

HEAD OFFICE FOR CANADA DOMINION SQUARE BUILDING MONTREAL
The Largest Insurance Organization in the British Empire
Established 1848

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia

FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00

Agents required in Ontario
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THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70

BRANCH OFFICES
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Vancouver
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ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30%

PROTECTION for POLICYHOLDERS

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Est. 1884
THE PORTAGE MUTUAL INSURANCE CO. · MUTUAL SERVICE · WITH SECURITY

Total Assets $1,625,156
Non-Assessable Policies

Sound underwriting and conservative investment policy of this Company make for permanent strength and confidence.

THE PORTAGE LA PRAIRIE Insurance MUTUAL Company
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In Good Times and Bad

THE conservative policy of The Bank of Toronto has been influenced neither by prosperity nor depression. The Bank refused to be stampeded by the boom in 1856. It reaped a reward in its stability during the dark days of 1857. It still sought safety in the prosperity of 1883 and found its wisdom justified when, later, harvests failed and depression invaded agriculture and industry.

Building slowly, The Bank of Toronto has built well. Today it possesses the confidence of an ever-widening circle of clients. Deposits have grown from $263,000 in 1857 to over $85,000,000 today. Assets total over $113,000,000. Reserves exceed capital by fifty per cent. With this proven stability, with its present strength and experienced management, The Bank of Toronto is well equipped to serve your every banking need.

• • •

The Bank of Toronto has long been known as The Bank for Savings. Open an account and take advantage of its friendly, efficient service.

1855 1932
THE BANK OF TORONTO
Established 1855
327

Fourteenth Annual Pulp and Paper Supplement

SECOND SECTION **THE FINANCIAL POST** *SECOND SECTION*

Vol. XXVI Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, OCTOBER 1, 1932 10c a Copy; $5.00 a Year No. 40

Newsprint Industry Will Survive Difficulties of Present Chaos

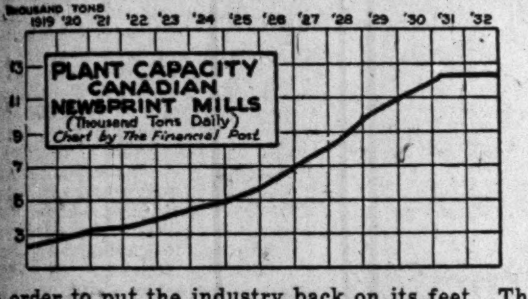
By **JOHN E. LANGDON**
Eastern Editor, The Financial Post

NEWSPRINT is the most important manufactured product produced by Canadians. Its value runs well over $100,000,000 annually, and as a factor in maintaining a favorable balance of trade it is second in importance only to wheat.

The Canadian newsprint industry as presently constituted was financed on a basis of 100 per cent plant operation and of newsprint selling at $75 a ton. With the principal producers now operating around 30 per cent and newsprint selling on a basis of about $38 a ton f.o.b. mill, it is apparent that the business cannot be conducted on a profitable basis.

The financial structure of the operating companies is in such a deplorable state that the newsprint industry is looked upon as being down and out. Such is not the case. The individual operators are certainly not in an enviable position, but the fact cannot be too strongly stressed that the newsprint industry is an integral part of the country's economical structure and that eventually it will again occupy a position of affluence.

Long before that desirable end is reached, however, many major adjustments will have to be made in order to put the industry back on its feet. The $600,000,000 or more of capital invested in newsprint manufacture will have to be scaled down to a point where the present overburdening load is lightened to enable the operator to work on a profitable basis. Changes in corporate set-up are possible and may even be necessary, while the industry will necessarily have to have a leadership which has been sadly lacking in the past.



Has Recorded Remarkable Growth

With the exception of water power, no other industry in Canada can point to such expansion as that which has been experienced by the newsprint industry.

It might be said that the growth has been an unhealthy one, but the fact remains that Canada today is the world's largest manufacturer of newsprint, as well as the dominant factor in the export market. This has been brought about primarily by the rapid expansion of the publishing business in the United States. That country is the largest market for newsprint. Its annual apparent consumption amounts to over 3,000,000 tons a year, a quantity as great as that of all other countries combined.

Until 1913 American publishers secured nearly all of their newsprint requirements from within the country. With the increasing cost of manufacture, due to the depletion of timber limits, together with a limited supply, made it necessary for the publishers to look elsewhere for their newsprint needs. Canada was the logical selection.

Canada Has Many Advantages

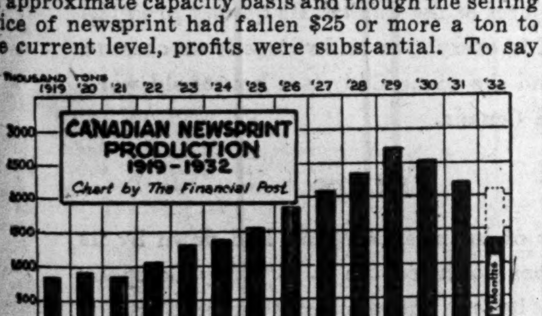
In the country to the north of them, the American publishers found conditions ideally suitable for the manufacture of newsprint.

Between 1913 and 1920, the percentage of the United States newsprint requirements supplied by Canada steadily increased. As the demand advanced, new timber areas were opened up, plants established water power sites developed, and capacity added to existing mills.

Development of the Canadian newsprint industry proceeded on a sound basis until the post-war period when a serious break in commodity prices brought a halt to further expansion. At that time some of the Canadian producers were caught with large stocks of paper on hand, which necessitated readjustments of a major character. The situation was in hand and it was a relatively simple matter to bring about the changes without unnecessarily affecting the general structure of the industry.

The post-war setback to the industry's development was of short duration. Beginning with 1923 business conditions in the United States and Canada took a turn for the better and the expansion in the publishing business was reflected in further development of the newsprint industry on a scale greater than had been thought possible by even the most optimistic.

Until 1926 plant operations in Canada were on an approximate capacity basis and though the selling price of newsprint had fallen $25 or more a ton to the current level, profits were substantial. To say that manufacturing at that time was conducted on an extravagant basis is to put it mildly. Few companies had any idea of their wood or manufacturing costs, nor had they any idea of what was a reasonable price for their products. All they knew was that there was a market for their newsprint at a price which assured large returns to the shareholders.



Era of Unsound Expansion

This state of affairs attracted the attention of promoters and capitalists. The provincial governments of Ontario and Quebec in their extreme eagerness to secure new industries made it as easy as possible for the promoter to secure timber limits. An essential condition of the sale of these limits was that a newsprint mill had to be constructed within a given time.

Between 1925 and 1929 newsprint machine installations in Canada more than doubled, with a corresponding increase in capital obligations. Though newsprint consumption kept increasing, the gain was not sufficient to keep pace with the growth of installations. Even at that time there were signs of the industry over-expanding, but the easiness with which capital was secured and the unwise policy pursued by the provincial governments did not put any check on new building.

New Element Enters Picture

At this time a change of considerable importance came over the industry. Up to then, the newsprint industry had always been regarded more or less as a family affair. There was a close co-operation between management and employees, which resulted in knitting together the different interests of the operators. But with the entry of the bankers into the situation, all this changed. Fabulous prices were offered for properties with good records. These, in turn, were recapitalized on a basis considerably higher than that prevailing prior to the sale. This was possible through the eagerness of the public to purchase securities. The soundness of the industry was a magnet to attract the public's money. The fact that over-capitalization was in process did not act as a deterrent.

The result of this unhealthy situation was the establishment of a number of mills, enlarging the capacity of plants already in existence, and the increase in the daily tonnage rate in Canadian mills from 4,599 at the beginning of 1924 to 9,342 at the middle of 1928.

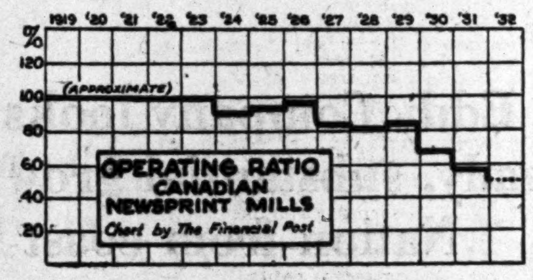
Level-headed Executive's See Danger

Even though optimism was rife, the more level-headed executives in the industry realized that the manufacturers were headed for trouble. The market could not continue indefinitely to absorb the additional tonnage of newsprint being put on the market. If the new machines were to be brought into production without due consideration of the absorption powers of the market, only one condition could result—over-production and breaking down of the price.

Steps were taken to head off the danger. Plans of Quebec Pulp and Paper Corp. to establish a newsprint mill in the Lake St. John area were set aside through the purchase of control by Price Bros. and Co., and Port Alfred Pulp and Paper Corp. Bathurst Power and Paper also had expansion plans under consideration but the newsprint producers got together and secured control. Thunder Bay Paper Co. was bought out by Abitibi Power and Paper Co. and Canada Power and Paper Co. in order to avoid disturbing the market. In such wise were Ste. Anne Paper, Murray Bay Paper, Manitoba Paper, Donnacona Paper and other smaller operators brought under control.

Create New Marketing Organization

These moves tended to simplify control of production, but output kept increasing. In 1926 Canada passed the United States as the world's largest producer of newsprint paper, with an output of 1,881,737 tons. Further gains were noted in 1927. Capacity was increasing faster than consumption and there was a scramble for contracts. The market became unsettled and in order to alleviate the situation steps were taken to bring about a unified marketing policy.



To that end the leading newsprint manufacturers in Canada established the Canadian Newsprint Co. in May, 1927. This organization was designed to sell the output of the principal newsprint manufacturers in the Eastern Canadian area. It was closely affiliated with the Canadian Paper Sales Co., an American unit, organized about the same time, and owned by the same group of manufacturers. The aims and object of the former were to stabilize Canadian newsprint manufacturers' markets. It controlled production, allocated the tonnage sold and determined prices.

Trouble Over Hearst Business

Many present day troubles in the newsprint industry can be directly traced to these two companies promoted by the Canadian newsprint manufacturers. Soon after its organization, Canadian Sales began negotiations with the Newspaper and Magazine Corp. (a Hearst company). A tentative agreement was reached covering the sale of 250,000 tons a year over a period of ten years. The price of this tonnage was $69 a ton at the mill, freight allowed to New York. This meant a net price to the manufacturers of $65 a ton. Deliveries were made under this contract in the first four months of 1928, but in March, following upon a change in the personnel of the Canadian Newsprint Co., the latter refused to execute the contract and so notified the Newspaper and Magazine Paper Corp., on April 21, 1928.

Consequent upon this action the Hearst buying organization made overtures to the individual companies and placed contracts with the Anglo-Canadian Pulp and Paper Mills and Brompton Pulp and Paper Co.

The policy of absorbing a part of the freight charge by the manufacturers was adopted by International Paper in fixing its contract price for 1928.

Attempt to Hold Price Fails

Further price reductions took place between November, 1927, and July 1, 1928, with mill prices on the latter date being $62 a ton. Before the beginning of 1929, however, the Newspaper and Magazine Corp. abandoned its policy of negotiating with the individual companies for its supply of newsprint, and in November, 1928, requested manufacturers to submit tenders for 140,000 tons of newsprint paper per year, for five years beginning with 1929. Each of the major producers was anxious to secure this business, but International Paper was successful in getting the contract.

Canadian newsprint manufacturers, realizing that they would have to meet the prices established by International Paper, vigorously protested against the Hearst contract price being used as a basis for prices to other publishers. It should be clearly understood at this point that newsprint is sold on a one-price basis; in other words, the buyer of 100 tons receives the same consideration in the matter of price as the buyer of 10,000 tons.

Newsprint Institute of Canada

With the breakdown of prices at this juncture and the collapse of orderly marketing arrangements, the principal Canadian producers — largely those forming the old Canadian Newsprint Co.—banded together and formed the Newsprint Institute of Canada, the functions of which were similar to those of the Canadian Newsprint Co.

Strenuous efforts were made by the provincial governments of Ontario and Quebec to bring about a settlement of affairs. Pressure was brought to bear in order to force International Paper to join the Newsprint Institute of Canada. This move was unsuccessful, International maintaining its position of following an independent sales policy and at the same time stating that it could not be a party to the new agreement inasmuch as it would bring the company into conflict with the Clayton Act and the Sherman anti-trust laws of the United States.

Canadian Operators Fails to Agree

For a time the Newsprint Institute of Canada carried on its operations, but it can now be said that there was a lack of co-operation among the Canadian producers. There was continual difficulty over the distribution of tonnage.

Opposition to operations of the Newsprint Institute of Canada came from the American publishers, who saw in the workings of the Institute an attempt to combine and force prices to a higher level. Obviously this feeling did not strengthen the sales position of the Canadian producers in the United States market.

Economic pressure began to make the position of the individual Canadian operators more and more difficult. Further installation of newsprint machines had increased the available supply of paper, while the demand had started to decline. The result was that while record production and shipments were established in 1929, the available business per mill was smaller than for many years past. The pressure became more pronounced in 1930 and by the end of that year the Institute virtually passed out of existence.

Situation Forces Drastic Economies

Production has been confined more and more to the low-cost mills. High cost units have been operated intermittently, or not at all. Woods operations have been abandoned to a large extent. Purchases have been made from settlers or pulpwood operators for the wood supply. "Eating out of the pile," or taking pulpwood from storage, has been a common practice this year. Staffs have been reduced and various other economies put into effect.

All this has had the tendency of cutting down costs per ton of newsprint manufactured. In some instances, the savings have been made at the expense of future operations, such as limiting woods operations. But the immediate effect has been to substantially increase the percentage of profit per ton of paper—or reduce the loss.

Financial statements for 1931 indicated all too clearly the seriousness of the situation. Earnings had declined to a point where few, if any, of the companies were able to cover all charges. The outlook for 1932 was discouraging, inasmuch as a lower price had been put into effect, while prospects for increased tonnage were negligible.

Bankers Take Direct Interest

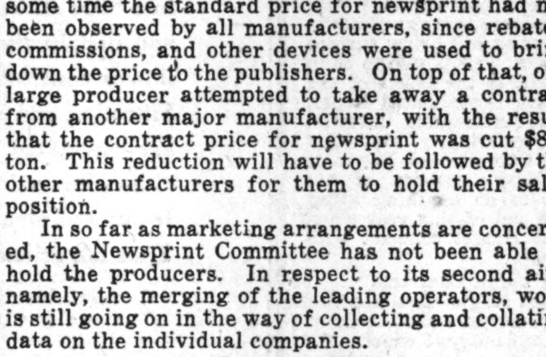
By this time the banks became actively concerned with the operations of the industry. This interest was on two accounts, namely, protection of the substantial loans advanced to the operators and an interest in the general welfare of the business. The operators had been given ample time and many opportunities for solving their own problems, but the instinctive distrust which had characterized dealings of the principals in this industry over many years continued in a lack of any common policy.

The banking interests formed a committee to examine the situation and to discover if the problems of the industry could not be solved through unified action. The objects of this committee were primarily to investigate the possibility of merging the major manufacturing units with a view to placing the majority control of tonnage under one company which would be dominant enough to establish a policy for the industry as a whole; secondly, provide leadership and thus prevent further demoralization.

Orderly Marketing Fails to Hold

In respect to its first function, namely, maintaining orderly marketing arrangements, the Newsprint Committee has done invaluable work. Had it not been for the existence of this organization, there is reason to believe that some of the operators would have undertaken independent price-cutting earlier in order to get additional business.

Although the operators have been held together by the Newsprint Committee for many months, it has not been entirely successful, for the price of newsprint was reduced in September of this year. For some time the standard price for newsprint had not been observed by all manufacturers, since rebates, commissions, and other devices were used to bring down the price to the publishers. On top of that, one large producer attempted to take away a contract from another major manufacturer, with the result that the contract price for newsprint was cut $8 a ton. This reduction will have to be followed by the other manufacturers for them to hold their sales position.



In so far as marketing arrangements are concerned, the Newsprint Committee has not been able to hold the producers. In respect to its second aim, namely, the merging of the leading operators, work is still going on in the way of collecting and collating data on the individual companies.

Current Factors of Importance

In viewing the position of the industry at this time, there are four major factors to be taken into consideration. They may be roughly divided into capacity, demand for newsprint, competition and price.

Taken in their respective order, the first for consideration is capacity. From 1924 to 1932 the rated capacity of Canadian mills increased from 4,599 to 12,450 tons. Consumption did not keep pace and it is little wonder that in the neighborhood of 50 per cent of present installation is idle. In other words, the excess and non-productive capacity represents an investment of at least $100,000,000. The burden thus created by undue optimism is proving to be a crushing one.

Official Machine Rating Misleading

The official machine rating is apt to be misleading. True, Canadian mills can turn out 12,450 tons of newsprint daily — but they cannot turn out that quantity without loss on the basis of present prices. Much of the machinery installed in Canadian mills is far from being as modern as many have been led to believe. We have been told that one reason for the growth of the industry is the obsolescence of much newsprint machinery in the United States. As a matter of fact, the Canadian industry is faced with the same condition.

It is a difficult matter to determine what percentage of installation is obsolete from an operating point of view. There is no common yardstick. Age is not the determining factor in regard to a machine's economic usefulness. Cost of bringing pulpwood to the plant, cost of power, cost of conversion into pulp and later into paper and cost of transporting the finished product to market are factors of importance.

On the basis of age, together with known facts on cost figures, one may presume that more than half of the installed capacity cannot be operated profitably at present prices for newsprint. By profit is meant the cost of conversion, overhead and administration expenses, depreciation, depletion and capital costs. The percentage of effective machinery rises with each advance in the price of newsprint. It is unlikely, however, that paper prices will rise in the near future to a point where all machinery can be operated profitably. For several years to come, it is estimated that from one-quarter to one-third of present installations are of no value.

Markets for Canadian Newsprint

Demand for Canadian newsprint will follow the trend of consumption in the United States. Broadly speaking, operators in this country have three outlets for their products—domestic, overseas and the United States. The first has shown little change in the past five years, the annual apparent consumption being around 200,000 tons, which amount is equivalent to one month's "normal" production.

Overseas includes such markets as the United Kingdom, West Indies, South America, Australia, New Zealand, etc. The amount of tonnage involved is relatively small, and though the recent Imperial Economic Conference agreements are expected to be beneficial, an increase of 10 per cent, or even 25 per cent, would not appreciably change the operating position.

Demand Reached Peak in 1929

The American market is all important. The manner in which it has grown is well illustrated by the following tabulation covering consumption of newsprint reported by 600 publishers to May, 1923 and by 422 since that date. The latter group accounts for about 80 per cent of the apparent needs of the United States. The figures given represent the average monthly consumption in tons:

1918	110,248	1925	148,900
1919	142,000	1926	166,800
1920	148,700	1927	173,000
1921	147,900	1928	177,200
1922	170,700	1929	190,240
1923	151,100	1930	176,500
1924	136,800	1931	164,140

1932 (six months) 145,852

Canada's Position in United States Market

What is Canada's position in relation to the United States newsprint market? In 1913 the Dominion supplied 15 per cent of the newsprint requirements of the American publishers. Two years later the percentage had risen to 24 and in 1917 to 31. There was a gradual upward movement in the following years and in 1922 America received 40 per cent of her newsprint from Canada. Further gains were recorded and in 1927 just over one-half of all newsprint consumed came from the Dominion. In the boom years consumption reached the record figure of 3,794,000 tons in 1929, of which the Dominion supplied 57 per cent. There was a drop in requirements in the following year, but Canada held its position in supplying 57 per cent of all needs. In the last year and a half, the position of the Canadian operators has weakened somewhat, only 54 per cent of the American requirements coming from this country.

Prospects for an upswing in consumption of newsprint in the United States are reasonably good. It will be a normal swing back and much ground has to be regained before demand is at 1929 levels. Even when that point has been reached there will be still a wide gap between supply and demand.

Take Time to Absorb Slack

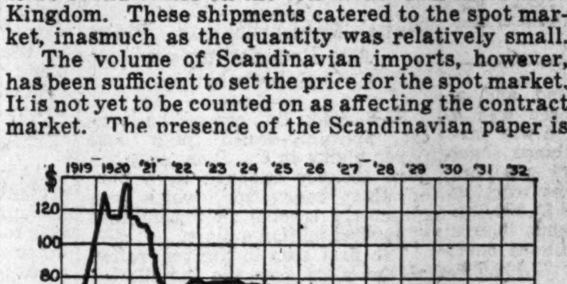
Some months ago The Financial Post prepared an estimate of the length of time likely to elapse before demand reached a level permitting of capacity operations of Canadian newsprint mills. The estimate, since confirmed by independent authorities, placed the time between 1940 and 1942, under conditions of normal growth. This recovery might be accelerated by a return of boom conditions, increase in reader interest, etc., but disallowing outside factors which cannot be foreseen, it is likely to be from eight to ten years before the present lag between supply and demand is taken up.

There is a bare possibility, of course, that Canada will not be able to hold its position in the American newsprint market. The percentage of annual requirements received from the Dominion by the United States will fluctuate from year to year, but it is unlikely that Canada will lose her dominant position.

Competition for Canadian Mills

Increased competition may come from three sources. First, is the actual and potentially important competition from the Scandinavian manufacturers. For years past the United States has drawn a small supply of newsprint from that source. Imports have really represented the overflow of production from the Northern Europe mills, for which no market was to be found either on the continent or in the United Kingdom. These shipments catered to the spot market, inasmuch as the quantity was relatively small.

The volume of Scandinavian imports, however, has been sufficient to set the price for the spot market. It is not yet to be counted on as affecting the contract market. The presence of the Scandinavian paper is given more prominence than is actually warranted by conditions. The sharp fall in the value of Scandinavian currency has enabled the operators to sell their newsprint in the New York market at a price which cannot be touched by the Canadian producer. The "edge" amounts to nearly $10 a ton, which is sufficient to assure a dominant position in the day to day market for newsprint.



It is doubtful if the Scandinavian manufacturers will occupy a more influential position in the New York market than they do at present. While they have an advantage because of the exchange situation, they are handicapped by irregularity of supplies and relatively small productive facilities and limited supplies of pulpwood.

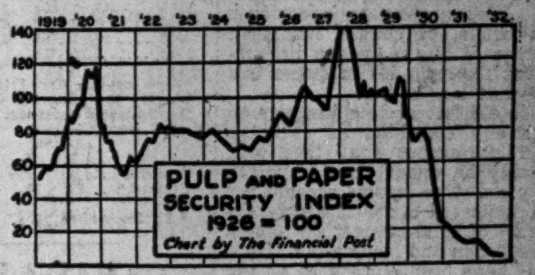
New Paper Source Possible

Future competition to Canadian manufacturers may come from the Southern States at such time as a process is worked out for the commercial production of newsprint from Southern Pine. Large sums have been spent on experimentation work in connection with the utilization of this timber for newsprint, but so far efforts have not been overly successful. Rapid growth, combined with low cost of manufacturing and accessibility to market, are points strongly in favor of Southern Pine. There is always the possibility of some means being discovered of overcoming the excess of resin in the wood and, on that account, Southern Pine is to be regarded as a potential threat to Canadian newsprint supremacy.

Alaska Has Valuable Timber

The opening up of the Alaskan timber reserves for the purpose of manufacturing newsprint has been on the tapis for many years. Several large Western operators are interested, but the development of this area has been opposed by the American industry on the grounds that conditions do not warrant it.

The situation in the newsprint industry as it now stands is that the Canadian mills have an installed capacity exceeding market requirements for several years to come; that an upward move in the price of paper is unlikely until some major readjustments have been made; that mill operations are at a point where full charges are being earned only in a few instances.



Consolidation Regarded as Solution

While time, money and labor have been spent on investigating the best means of bringing about the consolidation, to date no plan has been drawn up. This does not necessarily mean that the idea of an amalgamation has been dropped, as it is now the opinion among the executives, bankers and others that only through a consolidation can the industry get back on its feet.

Merging, they feel, would make possible the necessary reorganization work. Investors in newsprint securities, as well as the public, are in a mood to accept changes which might be considered advisable. It would be possible in the consolidation to effect a capital reconstruction. By placing a reasonable valuation on property, timber limits, contracts, etc., capitalization of the merged companies could be reduced to a point where it would bear a closer relationship to earning power. Substantial reductions would have to be made. But it is far better for the investor to have a security backed by conservatively valued assets and reasonable earnings, than one which, as at present, has behind it earning power and assets obviously greatly over-valued.

The consolidated company, it is further contended, would be in a position to handle the problem of looking after these people dependent upon the industry for their livelihood. As many mills are closed down or operated on part time, the problem of providing these people with a livelihood is one of importance.

In any discussion on the proposed consolidation of the major newsprint manufacturers, three features stand out.

Relations With Publishers Important

In the first place, there is the problem of marketing. The American publishers, as a group, recognize the necessity of paying a reasonable price for their newsprint supply and, while sympathizing with the operators, they are first of all concerned with their own problems. In the past they have been given little consideration, but the producers' attitude has changed for the better. The setting up of any such an organization as that under discussion must necessarily meet with objection from some of the American publishers, who will see in such a consolidation an attempt to hold up the consumer. This feeling, of course, can be overcome, but it emphasizes the care which must be exercised in the selection of management for the consolidated enterprise.

On the other side of the picture, there are the individual operators who, to all intents and purposes, are bankrupt. Several have passed their bond interest, two major producers are in the hands of a receiver, while others are on the verge of insolvency.

Arbitrary Methods Now Necessary

The time has come, it is urged by bankers, when arbitrary methods must be used to bring stability to the industry. Further uncontrolled competition, they say, cannot be permitted if the industry is to live.

Immediate action is urged in holding the producers together. Price Bros. and Co. may have been justified in breaking the price of newsprint from $53 to $47.50 in view of the undercutting which had been going on, but the action of International Paper in making a further reduction of $2.50 a ton to protect its sales position, opens up the way to a possible price war.

Must Keep Producers in Line

The question of concern is whether or not the banking group, represented by the Newsprint Committee, will force the operators to stay in line and prevent further price cutting. Individually, the operators disclaim any desire to cut the rates even though there might be a faint possibility of increasing or "stealing" tonnage. They are afraid of the consequences. Still they will not sit on the side lines and watch their competitors attempt to get a larger share of the business through price cutting. Again, under the terms of their contracts with the publishers, they are forced to meet the lower price.

The new price will have to be met. The fear is that one or more of the operators may cut under the new rate and thus precipitate wholesale cutting.

Time to Deal With Merger

Many months have been spent in collecting material appertaining to the consolidation. The Committee may take affairs in its own hands and arbitrarily arrive at a basis of consolidation. Bondholders of those companies which have defaulted on their obligations must be considered, but this does not constitute an insurmountable obstacle.

If consolidation is the remedy at hand the method of application, even at best, will not meet with unanimous approval.

By effecting the consolidation, eliminating all capital charges for the time being, reducing overhead and administration expenses, the industry could keep going under present conditions. This is not a satisfactory state of affairs, but, it would permit the rebuilding of the industry along lines assuring sound and, in time, profitable operations.

The alternative to consolidation is, of course, uncontrolled competition which would, drastically, accomplish in time the necessary readjustments in the industry. It would mean a succession of receiverships and reorganizations of practically all of the companies, a ruthless paring down of capital and bond obligations, settlements with other creditors, closing down of mills that could not stand the gaff of lowered prices and finally a survival of the fittest. It is such a development that the consolidation group would avoid.

The question is one between managed deflation and forced deflation.

HOWARD SMITH PAPER MILLS

Depressed Business Conditions Have Limited Demand for Fine Papers — Earnings on Low Basis — Resumption of Dividends Remote

Both balance sheet and income account of Howard Smith Paper Mills for 1932 are expected to reflect declines in sales and earnings.

By the middle of this year it was reported that business was on a smaller scale than was the case in 1931, but, on the whole, conditions were relatively satisfactory.

Domestic business is less this year, while export demand has been affected by the worldwide depression. The dollar value of sales during the first half of the year was estimated at about 15 per cent below that reported for the same period in 1931. The volume of business, on the other hand, was only off about one-half of that reported for the dollar value of sales.

Plant Activity Lower

Operations are being conducted on a basis about two-thirds capacity. This applies to operations as a whole, of course, inasmuch as some of the machines producing the finer grades of paper are somewhat less active.

It is difficult at this juncture to make any forecasts of earnings for 1932, except that they will probably be under those reported last year. The income account for 1931 indicated a deficit after taking care of bond interest, exchange, depreciation and income tax. Dividends have been eliminated on the preferred stock and it is unlikely that they will be resumed for some time.

Cut Down Loans

Any future surplus earnings will go toward reducing bank loans which are fairly heavy at this time. In addition, the company has a large loan falling due on January 2, 1933.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	800,000 sh.	220,000 sh.
Pref. cum. red. .. Par $100.	$7,500,000	$4,500,000

Funded Debt—
1st mtge. S. F. gold bonds or debentures, 5½ per cent, due 1953, outstanding, series "A," $7,500,000.

Dividend Record—
Preferred—None at present. Entitled to 6 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Cumulative from June 1, 1928. Initial payment made on Sept. 1, 1928, and regularly up to and including March 1, 1931. Dividends discontinued since.
Common—None paid.

Officers and Directors—
Officers—H. Crabtree, pres.; E. H. Smith, vice-pres. and man. dir.; G. H. Pauline, vice-pres.; E. K. Robinson, vice-pres.; K. G. Pendock, sec. and treas.; M. G. Peterkin, asst. sec. and asst. treas.
Directors—H. Crabtree, E. H. Smith, Sir H. S. Holt, E. R. Decary, J. W. Pyke, H. Murray, O.B.E., G. Chahoon, Jr., G. M. McKee, W. D. Robb, W. H. Howard, Hon. C. A. Dunning, Montreal, P.Q.; C. B. McNaught, J. H. Gundy, C. L. Burton, Toronto, Ont.

Times Interest* Earned:	1931	1930
Before deprec. and depl.	1.79	2.17
After deprec. and depl.	1.11	1.78

*And U. S. exchange on bond interest in 1931.

Earnings per Share and Dividend Record:		
Preferred: Earned*	$1.39	$9.79
Earned†	1.42	7.43
Paid	‡1.50	6.00
Common: Earned▲	nil	0.26
None paid.		

*Calculated on net profit as shown above.
†Calculated after deduction of subsidiary preferred dividends.
‡of which only $1 accrues to the 1931 fiscal year.
▲After allowing for full year's preferred dividend requirements and after subsidiary common earnings.

Ten Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1924	727,575	212,842	85,701
1925	752,437	127,976	175,163
1926	855,349	127,976	286,859
1927	946,396	136,708	464,146
1928	*1,007,637	157,500	†424,477
1929	1,288,902	270,000	†835,276
1930	‡1,231,760	382,564	†1,294,233
1931	1,101,716	55,104	†1,044,728

*Nine months, Apr. 1 to Dec. 31.
†Before providing for income tax.
‡Consolidated earnings.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common ...	4	2	6	2½	22	4
Preferred ..	27	16	45½	30	84	58

*To September 26.

CANADA PAPER

Strengthen Balance Sheet Position—Acquire New Plant

Controlled by Howard Smith

Operations of Canada Paper Co., controlled by Howard Smith Paper Mills have been affected by the general slump in business. For some time past earnings have been on a limited basis, but its financial position was improved by a new arrangement entered into with the controlling interests last year. Until there is a marked improvement in demand for the company's products, there is no reason to expect dividends on the preferred stock.

The principal development of importance in connection with the operations of this company during the year was the purchase of the plant of the Western Quebec Paper Mills at St Andrews East. This unit was acquired by the company in order to round out its line of products.

GREAT LAKES PAPER

Early Report from Protective Committee Will Give Result of First Year's Operation in Receivership

Great Lakes Paper Co. has operated under a receivership over the past year with operations averaging some 35 to 40 per cent of capacity. Earnings have been sufficient to meet operating costs and taxes, but the amount available for first mortgage interest has not been stated. Plans for capital reorganization of the company are understood to be well under way, and a statement expected shortly from the Bondholders' Protective Committee.

The chief activity of the Protective Committee in the year ended has been in attempting to settle claims against Minnesota & Ontario Paper Co. as well as securing contracts for newsprint. The company has been operating on tonnage furnished on an allocation basis for Minnesota & Ontario Paper Co. under an agreement made between the receivers of the two companies. This agreement was in effect up until July, 1932. The company has a modern newsprint mill at Fort William, Ont., with an annual capacity of 100,000 tons of newsprint. Pulp wood limits held under lease are sufficient to meet all requirements and the newsprint mill is rated as a low cost producer. It has been stated that the company should earn its fixed charges if operations could be maintained at around 80 per cent of capacity. Difficulties of the company began with the passing into receivership of Minnesota & Ontario Paper Co. which held a substantial proportion of the Great Lakes stock. The Great Lakes mill had been operating practically entirely upon tonnage allocated by Minnesota & Ontario Paper. On the ability of the company to secure newsprint contracts of its own will depend in a large degree the success with which the company can be operated in the future.

Canadian investment interests are confined to the 6 per cent first mortgage sinking fund gold bonds, Series "A," of which there is $10,000,000 outstanding. The National Trust Co. is acting as receiver and manager of the company, while in the spring of 1932, F. E. Clarkson was appointed custodian under the Dominion Winding Up Act. The latter action did not affect the first mortgage bonds of the company but enabled the unsecured creditors and equity holders to be represented by one individual. The bondholders' Protective Committee consists of the Rt. Hon. Arthur Meighen, chairman; A. D. Cobban, R. P. Matthiessen, J. H. Ratcliffe, Harry D. Thrall and Louis Lang.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	750,000 sh.	750,000 sh.
Pref. 6% cum. .. Par $100.	$10,000,000	$10,000,000

Funded Debt—
1st mtge. S. F. bonds, series "A," 6 per cent, due 1950, outstanding $10,000,000. Interest passed Mar. 1, 1931.

Officers and Directors—
Officers—E. W. Backus, pres.; S. W. Backus, vice-pres. and treas.; S. Johnston, sec.
Directors—E. W. Backus, S. W. Backus, R. D. Main, Minneapolis; G. McLean, International Falls, Minn.; D. McLeod, Kenora, Ont.
Bondholders Committee—Rt. Hon. A. Meighen, K.C., chm.; A. D. Cobban, J. H. Ratcliffe, of Toronto; Louis L. Lang, Galt, Ont.; R. P. Matthiessen, Chicago; and H. D. Thrale, Minneapolis. Sec., R. G. Meech, 1710 Canadian Bank of Commerce Bldg., Toronto.

ROLLAND PAPER

Company Manages to Hold Position Though Market is Backward

The slump in general business conditions in Canada has not been without its effect on operations and earnings of the Rolland Paper Co., though its position is probably as strong, if not stronger, than the other fine paper makers and producers.

In the long period since it first established operations, Rolland Paper has built up a reputation for the quality of its products. Its products are in consistent demand from old-established customers, a factor of great importance in helping the company to maintain its position during the present period of depression.

Adopt New Products

Though Rolland Paper's activities are largely centred on the manufacture of high-grade bond and high-grade paper, it has been broadening out its lines to include the production of paper for blueprint work. This material hitherto has been largely imported into Canada; the company is now manufacturing on a substantial scale and is finding a fairly wide market for it.

Earnings Are Fair

No details are available in respect to current earnings, but it is understood that income is relatively satisfactory. Last year, the company's profit and loss statement showed an income of $346,876, which was only about $33,000 less than in the previous year. After taking care of bond interest, preferred stock dividend and a larger depreciation, there was a surplus of $24,670, which was carried forward. The balance sheet indicated a satisfactory position, with an increase in net working capital from $997,373 to $1,020,331. Sinking fund on the bonds is now in operation and the funded debt, which amounts to only $2,460,000, is being steadily reduced.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	100,000 sh.	60,001 sh.
Preferred, cum. .. Par $100.	$2,500,000	$1,500,000

Funded Debt—
1st mtge. S. F. bonds, series "A," 5½ per cent, due 1948, outstanding $2,450,000.

Dividend Record—
Preferred—6 per cent per annum payable 1st March, June, Sept. and Dec. Initial dividend paid Sept. 1, 1928, and regularly since.
Common—None paid.

Officers and Directors—
Officers—S. J. B. Rolland, chm. of board; J. Rolland, pres.; J. P. Rolland, vice-pres.; O. Rolland, gen. mgr.; J. A. Forget, sec.-treas.
Directors—S. J. B. Rolland, J. Rolland, J. P. Rolland, W. C. Pitfield, F. Saint-Pierre, Montreal, P.Q.; O. Rolland, Mt. Rolland, P.Q.; A. Fraser, Edmundston, N.B.; D. Fraser, Plaster Rock, N.B.; J. H. Price, Quebec.

Times Bond Interest Earned—	1931	1930	1929
Before depreciation	2.34	2.76	3.20
After depreciation.	1.77	2.24	2.68
Earnings per Share and Dividend Record—			
Preferred: Earned.	$7.51	$10.66	$14.78
Paid	6.00	6.00	6.00
Common: Earned ..	0.38	1.16	2.18
None paid.			

Four Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928*	‡258,607	45,000	§80,196
1929	‡440,480	90,000	§211,176
1930	†379,358	90,000	281,034
1931	†346,876	90,000	312,204

*Seven months' period ended Dec. 31, 1928.
†After operating expenses, federal and general taxes and provision for bad and doubtful debts.
‡After operating expenses but before income tax.
§Before deduction of income tax.

MERSEY PAPER

Advantages of Location Enable Company to Make Profit

Due to the exceptionally advantageous location of the plant at Liverpool, N.S., Mersey Paper Co. has been able to maintain operations on a scale considerably better than that reported by other newsprint operators in Canada.

Last year Mersey Paper produced newsprint to the value of nearly $4,500,000, 90 per cent of which represented sales in the United States, the balance being sold in Nova Scotia. This was equivalent to virtually full time operation.

Gross Income Higher

Gross income from all sources in 1931 totalled $1,093,573 as against $852,922 in 1930. There was a slight increase in depreciation and interest charges, leaving net profits of $393,464, compared with $172,702 in the previous year. Owing to the uncertain situation existing in the newsprint industry, the management decided to set up a contingency reserve of $60,000, which left a balance of $332,464 to be carried forward to surplus.

Owing to the break in the financial markets, Mersey Paper was never able to carry out its full programme of financing. A block of general mortgage bonds was sold to the public, but the first mortgage bonds are up with the bank. At the same time the company had bank loans at the end of 1931 totalling $726,000.

There is talk to the effect that Mersey Paper Co. will be included in the proposed merger of Canadian paper companies, if, as and when this scheme is ever put through. Meanwhile it continues to secure sufficient business along the Atlantic seaboard to keep its plant operating on a basis permitting of profitable operations.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	150,000 sh.	150,000 sh.
Pref. cum. red. .. Par $100.	$5,000,000	$5,000,000

Funded Debt—
1st mtge. S. F. bonds, due 1954, authorized $10,000,000. $5,000,000 issued and deposited with bank as collateral security for loan of $3,000,000.
General mtge. bonds, series "A," 6 per cent, due 1949, outstanding $2,000,000.

Dividend Record—
Preferred—Entitled to 6½ per cent per annum, cumulative from July 1, 1930; payable quarterly, Jan., Apr., July and Oct. 1. None paid to date.
Common—None paid to date.

Officers and Directors—
Officers—Col. C. H. L. Jones, O.B.E., V.D., M.E.I.C., pres. & gen. mgr.; J. McG. Stewart, K.C., vice-pres.; B. J. Waters, sec.; T. M. Ratchford, treas.
Directors—Col. C. H. L. Jones, O.B.E., V.D., M.E.I.C.; J. McG. Stewart, K.C., Col. J. L. Miller, P. R. Jack, J. C. MacKeen, Halifax, N.S.; W. H. Chase, Wolfville, N.S.; J. B. Douglas, Montreal, P.Q.

Times All Interest Earned:	1931	1930
Before depreciation	2.43	1.94
After depreciation	1.87	1.39
Earnings per Share:		
Preferred	$6.67	$3.45
Common*	0.06	nil

No dividends have been paid; preferred dividends cumulative from July 1, 1930.

*After deducting full year's preferred dividend requirements; no account taken of arrears.

BROWN CORP.

Join With Shawinigan in New Water Power Scheme

Principal development in connection with the Brown Corp., Canadian subsidiary of the Brown Co., of New Hampshire, operating at La Tuque, P.Q., was the sale of an undeveloped waterpower site on the St. Maurice River to the St. Maurice Power Corp. The latter concern is jointly controlled by Shawinigan Water and Power Co. and the Brown Corp. As a consideration of the deal, Brown Corp. received a large cash payment, together with a block of stock in the holding company.

Operations of the company have been affected like those of other operators in the Canadian pulp and paper field. The demand for the company's principal product, sulphite kraft, has not been particularly good; a factor which is reflected in earnings.

Of late years the company has devoted considerable attention to the production of various chemical by-products, principally turpentine. There is little information available on this phase of the company's business, but it is presumed to be somewhat inactive.

Capitalization—	Authorized	Outstanding
Common	$14,000,000	$14,000,000

Entire stock owned by Brown Co.

Officers—
H. J. Brown, pres., Portland, Me.; O. B. Brown, vice-pres. and sec.-treas.; W. R. Brown, gen. mgr.

Directors—
H. J. Brown, O. B. Brown, W. R. Brown, D. P. Brown.

E. B. EDDY CO.

Plant Rehabilitation Plans Are Proceeding on Schedule

E. B. Eddy Co., one of the largest privately-owned pulp and paper plants in the Dominion, has been actively engaged in a plan of plant renovation, which will ultimately involve an expenditure of several million dollars.

The first step in the renovation of the plant was the installation of a new water filtration unit at a cost of several hundred thousands of dollars. This work was completed toward the end of last year and is expected to result in material benefits in the way of improving quality of products. The second stage of the programme, which covers the renovation of the sulphite pulp unit, is under way and considerable progress has already been made. Later on the boiler capacity will be concentrated and enlarged; storage and handling facilities rearranged; additional pulp preparation equipment installed and a new head office building erected.

The Eddy Co. has a widely diversified line of products, including newsprint and bond papers principally. The company has been in operation for over 80 years and has established strong outlets for its products. Consequently it has been able to maintain plant operations on a relatively high basis while earnings have been such as to permit regular distribution on the company's capital stock.

Capitalization—	Outstanding
Capital stock, par $100	$300,000

Dividend Record—
Dividends have been continuously paid for many years, payments not made public.

Officers—
V. M. Drury, pres.; C. V. Caesar, man. dir.; R. P. Egerton, treas.; J. F. Taylor, sec.

BATHURST PAPER

Steps Taken to Diversify Output — Finances Are Sound

Operations of Bathurst Power and Paper Co. have not undergone any marked improvement this year, though the management is taking steps to diversify production, making the company less dependent upon its newsprint output for revenue.

It will be recalled that a few years ago this company was publicly financed and with part of the proceeds, newsprint capacity of the plant at Bathurst, N.B., was increased from 70 to 140 tons a day. Coincident with this expansion, the demand for newsprint dropped substantially with the result that one of the machines has been inoperative for some time.

Take on New Product

In order to take advantage of its equipment, the management turned over one newsprint machine to the manufacture of kraft liner board. This has had the effect of improving operations and also is expected to bring about some improvement in the company's earning power.

The last financial statement of Bathurst Paper indicated a weak income, but a strong balance sheet position. Operating income in 1931 showed a deficit of $86,460 which was increased to $201,565 after making various write-offs. This resulted in wiping out the previous surplus of $160,704 and setting up a deficit in the profit and loss balance of $40,860.

The balance sheet shows net current assets exceeding $2,100,000 and with the ratio of current assets to current liabilities in excess of 22 to 1. The company has no funded indebtedness or bank loans.

Capitalization—	Authorized	Outstanding
Cl. "A" Com.	750,000 shs.	400,000 shs.
Cl. "B" Com. N. p. v.	500,000 shs.	300,000 shs.

Funded Debt—
None.

Dividend Record—
Class "A" Common—Initial dividend of 25c. per share paid March, 1929; none since.
Class "B"—None paid.

Officers and Directors—
Officers — Brig.-Gen. J. B. White, pres.; L. R. Wilson, vice-pres.; A. E McLean, vice-pres. and gen. mgr.; H. J. Webb, treas.; G. A. Schryer, asst. treas.; S. B. Bond, sec.; Smith Morse, Compt.
Directors—Brig.-Gen. J. B. White, P. A. Thomson, H. J. Webb, J. B. Woodyatt, E. Rossiter, G. M. McKee, Montreal, P.Q.; L. R. Wilson, Toronto.

Earnings per Share and Div. Record:	1931	1930	1929
Cl. "A": Earned	nil	*$0.18	$0.20
Paid	nil	nil	0.25

Cl. "B": None earned or paid.
* Before depreciation.

Four Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1928	411,782	......	121,747
1929	281,550	100,000	108,297
1930	132,954	......	181,001
1931	*86,461	......	*40,861

* Loss or deficit.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Cl. "A"	3	1	5¼	3	10½	5
Cl. "B"	1½	½	5	1	4½	2¾

* To September 26.

ANGLO-CANADIAN

Divorced from Canada Power, Company Holds Strategic Position

Control of Anglo Canadian Pulp and Paper Co. passed into the hands of Canada Power and Paper Corp. in June, 1930, but upon the reorganization of the latter it resumed its former status. Canada Power undertook certain guarantees in connection with Anglo's Canadian securities which the reorganized company—Consolidated Paper Corp.—was unwilling to assume.

The decision to drop Anglo Canadian in the reorganization plan was undoubtedly influenced by the fact that Canada Power and Paper held a contract with the Hearst newsprint buying organization, to supply all its requirements upon the expiration of present contracts. Anglo holds a 120,000 ton contract from the Hearst organization, which expires at the end of this year. Ordinarily this business would accrue to Consolidated Paper under the terms of its contract with Hearst.

Hold Hearst Contract

Reported developments of late, however, have changed the picture. It is currently reported that the Hearst buying organization has entered into a new contract with Anglo for a large tonnage of newsprint at a price will below current market levels. This is said to be in contravention to the terms of the contract with Consolidated Paper.

There is considerable unsettlement and uncertainty over this situation. Consolidated Paper is in the unhappy position of not being able to do anything about it until the end of this year when the present Hearst contract with Anglo expires.

Two Large Contracts

At present Anglo Canadian has a plant capacity of 145,000 tons of newsprint annually, of which 120,000 tons goes to Hearst and another 25,000 tons to the Rothermere papers in England. From an operating point of view it occupies a strong position at the moment. If its new contract with Hearst is upheld, its position will be even stronger, while that of Consolidated Paper will be considerably weakened.

From an investment point of view, Canadians have little interest in Anglo, control of that company being held by Lord Rothemere and his associates in England. The bonded debt of the company is guaranteed unconditionally by the Daily Mirror, Pictorial Newspapers Ltd., London, and Sunday Pictorial Newspapers (1920) Ltd., London.

Capitalization—	Authorized	Outstanding
Common N. p. v.	135,000 shs.	135,000 shs.
1st Preferred Par $100.	$8,000,000	$8,000,000

Funded Debt—
1st mtge. guaranteed debentures, 6½ per cent, due 1956, outstanding £3,000,000.

Dividend Record—
1st preferred, 7 per cent cumulative, payable April and Oct. 1. Initial dividend for 6 months paid Oct. 1, 1930; passed April 1, 1931; none since.
Common: None paid.

Officers and Directors—
Officers—Viscount Rothermere, pres.; F. W. Clarke, vice-pres.; G. H. Bridge, sec.-treas.
Directors—Viscount Rothermere, J. Cowley, Hon. E. Harmsworth, London, Eng.; F. J. Humphrey, New York; Sir H. Holt, R. C. McMichael, Hon. Smeaton White, G. H. Montgomery, G. M. McKee, Montreal; J. H. Gundy, Toronto, Ont.; C. R. Whitehead, Three Rivers, P.Q.; Sir C. Fitzpatrick, F. W. Clarke, R. A. McInnis, Quebec, P.Q.

Control Room of the $400,000 Eddy Filtration Plant. This thoroughly modern plant has an ultimate capacity of 60,000,000 gallons of water every 24 hours.

INDUSTRY *builds* an INDUSTRY

The E. B. Eddy Company looks back upon 81 years of steady, substantial growth—serving the Nation from coast to coast

WHEN in 1851 Ezra Butler Eddy built his first tiny match factory on the Hull bank of the Ottawa River just below the Chaudiere Falls, industry, in the sense of steady application to business, was perhaps his only asset. Little did this Vermont boy dream that his desperately limited enterprise, by which he made ten or less cases of matches a day, would develop into one of Canada's foremost industries; that the making of the humble match, which served to popularize the Eddy name around the globe, would yield place to the more intricate forms of manufacture which today associate that name with the wholesale output of newsprint, bond papers, tissues and wrapping papers of every description.

Comparison

In those early days the waters of the Ottawa River were good enough to float that first endeavour, by carrying the logs from the forest to the crude machines which slivered the flawless white pine into "fire sticks" to serve the white man and amaze and delight the red. But today even that historic flow is controlled and passed through a $400,000 Filtration and Purification Plant, before its waters are considered fit to provide every part of the Eddy Mills with uniformly colourless, pure water — free from sediment and bacteriological organisms. Thus has science joined forces with labour.

Progress

Present methods of distribution were practically unknown at the time that Mr. Eddy was both making and selling his own matches. Gradually increasing his output to 30 cases a day, he shipped what he could by the Rideau Canal to Kingston, Belleville and Toronto, and set out behind a horse for Hamilton, selling by the way and replenishing his store from the former shipments.

Adversity

Practically wiped out by the great fire of 1900 — the loss to the Company being $3,000,000 — the Eddy fortunes were gradually redeemed, and the debt involved by the rebuilding paid off in the wave of prosperity and sound business enterprise which followed.

Accomplishment

Covering seventy-five city acres, the E. B. Eddy plant of today is a model of fine construction and efficient management. Modern machines and labour-saving devices have made the plant one of the show places of the Capital. Its quality products are utilized in every town and village from coast to coast — and the name Eddy is a household word throughout Canada.

Future

The policy of business integrity laid down by its founders has governed the E. B. Eddy Company throughout its long and successful career. Through its important buying power and the control of vast quantities of raw material, it is able to supply superior products advantageously. It has never lowered the quality of its products to meet a price. The Eddy Company consistently strives to make the quality of its products the first consideration — price is secondary. But happily the two go hand-in-hand by reason of the high standard of its equipment and personnel.

THE E. B. EDDY COMPANY
LIMITED • HULL, CANADA

CANADIAN INTERNATIONAL

Company Now Controls All of International's Newsprint Properties in Canada and Newfoundland — Facing Strenuous Times

Canadian International Paper Co. is the holding and operating company of all of International Paper and Power Co.'s pulp and newsprint properties in Canada and Newfoundland. Through a recent change in its corporate layout, control of New Brunswick International Paper and International Power and Paper Co. of Newfoundland has passed into the hands of the Canadian company.

The combined capacity of these plants places Canadian International in the position of being one of the largest newsprint operators in the Dominion or the United States, with main plants located at Gatineau, Hawkesbury, Kipawa, Three Rivers, Dalhousie and Cornerbrook. The investment in these concerns runs into tens of millions of dollars, while combined they account for a substantial proportion of the total Canadian newsprint output.

Sales Over $25,000,000

Last year gross income of Canadian International Paper, which does not cover income from New Brunswick International or International Power and Paper of Newfoundland, aggregated $26,283,537, a drop of about $6,000,000 from the previous year. After taking care of all prior charges, there was a surplus sufficient to enable the company to declare a dividend of 12 per cent of its common stock. This is in striking contrast with the other Canadian newsprint producers, the majority of whom made no payments on their capital stock and in some instances had to forego funded debt charges.

The output of the Three Rivers and Gatineau mills last year totalled 338,064 tons, as against 404,555 tons in 1930, a decrease of only 10 per cent. New operating revenues of the newsprint division were, however, only slightly below 1930, the improvement in operating efficiency practically offsetting both the lower prices for newsprint and lower volume of production.

In the bleached sulphite pulp division, the Kipawa mill last year was able to run close to capacity with shipments exceeding those of 1930. Consumption of pulp by manufacturers of rayon increased, but demand from paper manufacturers decreased, resulting in a curtailment of operations at the Hawkesbury mill. Due to the drastic decline in prices for all grades of pulp, earnings of the bleached sulphite division were well below those of 1930.

Current Operations Lower

During the first half of this year there was a further drop in the demand for newsprint, while the price was approximately $4 a ton below that of 1931 for shipments to the New York area. The situation in the bleached sulphite market have continued to be adverse. On the other hand, increasing operating efficiency, has helped to offset the decline in demand and prices.

To secure a complete picture of International's position in the pulp and paper industry, it is necessary to give consideration to the American properties, as well as the large and valuable hydro electric plants and power distributing systems owned by the corporation.

Holds Dominant Position

Taking all properties into consideration, International is by far the largest pulp and paper producer in the world. It holds such an important position in the industry and trade, that, for years it has been the determining factor in respect to price schedules.

The entry of International into the Canadian field dates from the collapse of the old Riodron company. Between that time and a few months back International carried out a development scheme of its timber and power properties in Canada involving an outlay of several hundred millions of dollars.

Has Many Interests

Today International has, in addition to its pulp and paper plants, sawmills, coal mines, huge power plants on the Gatineau and Ottawa rivers, as well as at Grand Falls, N.B., and Cornerbrook, Nfld., in addition to numerous allied activities.

Followed Own Policy

International's position in the Canadian industry has not been as pleasant as it might be, due to the fact that the management has seen fit to follow an independent course—the wisdom of which has been demonstrated on more than one occasion.

While International has played its own game, it has co-operated with other Canadian newsprint operators. At all times it has helped any sound scheme and during the period when the Canadian companies were rationing new tonnage through the ill-conceived Newsprint Institute of Canada, International contributed a large block of tonnage.

In any scheme affecting the newsprint industry as a whole, therefore, consideration has had to be given to International.

Faces Same Problems

International is faced with the same problems confronting every newsprint producer. Its mill operations have been slowed down because of insufficient business, while the price of newsprint has made it difficult to operate profitably. On the other hand, International has reserved for itself probably a greater amount of buyers' goodwill than is the case for the other companies.

This goodwill, while of value, has not been productive of added tonnage. Were it not for its large hydro electric producing and distributing properties, International might be hard put to carry on. Through the building up of this diversified line of operations, however, the parent organization has been able to function, though its position is not especially strong.

Are Meeting Conditions

It is difficult to say how long International can continue to carry on the burden of its pulp and paper properties. Many economies have been effected in order to lighten the load. High cost or inefficient plants, have been closed down and tonnage transferred to other units.

At the moment Canadian International is handling the larger percentage of all newsprint tonnage for the parent organization.

Interested in Merger

Canadian International occupies a very important position in respect to the proposal to consolidate the larger Canadian newsprint operators. Without International's properties, it would hardly be worthwhile to have another merger in the Canadian newsprint field, because the new concern would not be in a position to dictate policy as is the motivating desire of those interests back of the scheme.

International is not averse to selling its Canadian properties or amalgamating them with other Canadian companies in a merger. There are two considerations to be complied with before such a deal would go through—first, assurance as to the type of management of the new company and, secondly, an adequate valuation of its properties.

Capitalization—	Authorized	Outstanding
Com. "A"	5,000,000 shs.	998,248 shs.
Com. "B"	3,000,000 shs.	998,248 shs.
Com. "C"	5,000,000 shs.	2,498,027 shs.
N. p. v.		
Pref. 7%	$100,000,000	$91,991,900
Pref. 6%	2,000,000	1,659,400
Par $100.		

Funded Debt—

The company has no funded debt, but, as at Dec. 31, 1931, bonds, etc., of subsidiary companies outstanding amounted to $357,767,794.

Dividend Record—

7 per cent Pref. and 6 per cent Pref.—Cumulative, payable Jan., April, July and Oct. 15; paid regularly from Jan., 1929, to April, 1931; none since.

Class "A" Common—Passed Nov. 15, 1930. Formerly $2.40 per annum, payable Feb., May, Aug. and Nov. 15. Initial payment (60c.) Feb., 1929, and regularly to Aug. 15, 1930; none since.

Classes "B" and "C" Common—None paid.

Officers and Directors—

Officers—A. R. Graustein, pres.; F. D. Comerford, vice-pres. and treas.; N. C. Head, W. N. Hurlburt, vice-pres.; H. R. Weaver, vice-pres. and treas.; S. C. Moore, sec.; O. Shepherd, R. G. Ladd, A. R. Storm, asst. treas.; C. D Young, E. E. Adams, asst. secs.

Directors—*A. R. Graustein, *F. N. B. Close, *A. H. Wiggin, *F. Eberstadt, *D. T. Layman, Jr., R. Pagenstecher, New York; *F. D. Comerford, W. C. Bayliss, P. Stockton, *W Chamberlain, F. L. Higginson, *J. R. Macomber, Boston; G. K. Simonds, Fitchburg; *M. G. Chace, Prov., R.I.

* Members Executive Committee.

Times Interest on Consolidated Funded Debt Earned:

	1931	1930	1929
Before deprec. reserve	2.23	2.45	2.68
After deprec. reserve	1.79	1.95	1.97

Earn. per Share and Div. Record:

	1931	1930	1929
7% Preferred:			
Earned	$0.67	$4.58	$4.41
Paid	1.75	7.00	7.00
6% Preferred:			
Earned	nil	nil	nil
Paid	1.50	6.00	6.00
Cl. "A" Common:			
Earned	nil	nil	nil
Paid	nil	1.20	2.40

Four Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1928* ...	17,604,276	8,655,610	16,184,646
1929	34,551,982	8,884,611	15,089,832
1930	41,275,748	7,703,088	12,976,218
1931	40,631,611	1,632,565	11,961,887

* Compiled by the company for comparative purposes only.

Market Record (New York Stk. Exch.)—

	*1932 H	L	1931 H	L	1930 H	L
Pref. 7%	11	2	43½	6¼	86	21
Cl. 'A' com.	2½	½	10¼	1⅛	31⅛	5½
Cl. 'B'	1¼	¼	6	½	22¾	3⅜
Cl. 'C'	⅛	¼	4½	½	18	2

* To September 26.

Canadian International Paper
(Controlled by Canadian International Paper, Ltd.

Capitalization—	Authorized	Outstanding
Common	$10,000,000	*$10,000,000
Par $100.		

* All owned by International Paper Co.

Funded Debt—

1st mtge. gold bonds:	Outstanding
6%, due 1949	$24,250,000
6% gold deb., due 1944	‡15,000,000
6% gold deb., due 1946	‡10,000,000
6% gold notes, due 1933	‡10,000,000
Riordon Pulp & Paper:	
1st mtge. 30-yr. s.f. 6% debs., due 1942	917,900

‡ All owned by International Paper Co.

In addition, funded debt of subsidiaries as at Dec. 31, 1931, amounted to $36,585,755.

Officers and Directors:

Officers — A. R. Graustein, pres.; Brig.-Gen. J. B. White, D.S.O., first vice-pres.; E. A. Charlton, vice-pres.; N. C. Head, vice-pres.; W. N. Hurlbut, vice-pres.; F. G. Robinson, vice-pres. i/c sulphite sales; C. B. Thorne, vice-pres. i/c sulphite manufacture; H. R. Weaver, treas.; R. Campbell, sec.; H. J. Webb, compt.; C. D. Young, asst. sec.

Directors—Hon. R. Dandurand, V. M. Drury, J. A. Eccles*, G. H. Montgomery, Hon. D. Raymond, F. N. Southam, *Brig.-Gen. J. B. White, D.S.O.. Hon. S. White, Montreal; G. C. Edwards, M.P., G. G. Gale, Ottawa, Ont.; J. H. Fortier, Quebec, P.Q., *A. R. Graustein, *N. C. Head, J. H. Phipps, J. F. Rollins, A. H. Wiggin, New York; J. R. Macomber, Boston, Mass.; H. P. Robinson. Saint John, N.B.; T. A. Russell, E. R. Wood, LL.D., Toronto.

* Executive committee.

Times Interest Earned on First Mortgage Bonds and Prior Liens:

	1931	1930	1929
Before deprec.	2.96	3.67	8.48
After deprec.	2.23	2.71	6.03

Earnings per Share and Div. Record:

	1931	1930	1929
Common: Earned ..	$7.56	$14.75	$0.92
Paid	12.00	3.00	nil

International Power & Paper of Newfoundland
(Controlled by Canadian International Paper Co.)

Capitalization—	Authorized	Outstanding
Common	£5,000,000	†£500,000 ($2,433,250)
Pref. 5%		£2,080,000 ($10,122,320)
Par £1.		

† Entirely held by International Paper and Power Co.

Funded Debt—

1st Mtge. bonds, 5 per cent, due 1968, outstanding $4,866,000. Nfld. Power & Paper "A" mortgage deb. stock, 4½ per cent, due 1973, outstanding $9,733,000. Present due date is 1948, but in effect the company has the right of extension to 1973.

"B" Mortgage 5½ per cent debenture stock, due 1970, outstanding $9,486,755.

Officers and Directors—

Officers—A. R. Graustein, pres.; N. C. Head, 1st vice-pres.; E. A. Charlton, vice-pres. and gen. mgr.; H. R. Weaver, treas.; A. R. Storm and H. A. Mayerink, asst. treas.; C. D. Young, sec.; T. S. Howard and E. E. Adams, asst secs.

Directors — A. R. Graustein, N. C. Head, J. F. Rollins, J. H. Hinman, G. A. Brownell, H. R. Weaver, R. L. Weldon, E. A. Charlton, all of New York; Sir G. S. Barnes, J. F. Taylor, London, Eng.; E. J. Godden, J. H. Scammell, St. John's, Newfoundland.

Times Interest Earned:

5% 1st mtge. bonds:	1931	1930	1929
Before depr. & depl.	12.02	12.68	13.38
After depr. & depl.	9.44	9.60	10.12
4½% "A" mtge. deb. stock:			
Before depr. & depl.	6.12	6.46	6.88
After depr. & depl.	4.69	4.78	5.07
5½% "B" mtge. deb. stock:†			
Before depr. & depl.	4.30	4.55	...
After depr. & depl.	3.10	3.15	...

†Based on amount of issue outstanding as at end of year.

Earnings per Share and Div. Record:

	1931	1930	1929
Pref.: Earned	$0.31	$0.37	$0.49
None paid.			
Common: Earned ..	1.06	1.32	1.82
None paid.			

B. C. Lumbermen Seek Exports

British Columbia lumbermen are drafting a plan of joint action in regard to export trade, whereby it is hoped to take advantage of every avenue of sale which offers opportunity for stimulating lumber production in the province, according to Hon. N. S. Lougheed. Minister of Lands.

DONNACONA PAPER

Bondholders Get Control Under Reorganization Scheme

Lack of working capital, declining plant operations and unsatisfactory marketing conditions resulted in the reorganization of Donnacona Paper Co. which took control from Price Bros. and Co. and placed it in the hands of the first mortgage bondholders.

The scheme of reorganization, which was approved by the security holders, provided that for each $100 par value debenture, the holder would be given two shares of Class B non-voting no par value common stock. In respect to an unsecured claim of Price Bros. against the company aggregating approximately $804,393. Price Bros. were given two Class B shares for each $100 of the amount of its claim.

Get Voting Stock

The bondholders continue to hold their securities but are given all The Class A shares given to the 121,804, or 18½ shares for each $1,000 principal amount of bonds held in return for certain concessions. These concessions included cancellation of interest charges for two years, payment of interest the following two years out of earnings only, cancellation of sinking fund payments until 1935; and that failure to pay sinking fund charges for the ensuing three years will not constitute a default.

The Class A shares given to the bondholders carry exclusive voting rights as long as cumulative interest on bonds for the two years ending February 1, 1936, or any part thereof remain unchanged, or when the company is in default of any sinking fund payments due from February 1, 1936, to 1939, or when the net working capital of the company is less than $1,000,000.

New Power Contract

Another feature of the scheme of reorganization was the arrangement with Shawinigan Water and Power Co., whereby the present contract calling for the delivery of 17,000 h.p. of electrical energy, of which only 3,500 h.p. is being used, is superseded by an agreement under which the company is to pay only for the power consumed, but in return for this concession five distributing plants, owned by Donnacona, with a book value of $106,000, are turned over to Shawinigan. The old common stock was reduced from 150,000 to 15,000 shares, or in the ratio of ten old shares for one new share.

The bondholders also have elected their own board of directors.

Eliminate Bond Charges

Current plant operations of Donnacona Paper are not particularly satisfactory, but this is common to all newsprint operators in the Eastern area. The elimination of bond interest charges, however, should enable the company to strengthen its working capital position and with a return to better times, resume payment on its senior security.

Capitalization*—	Authorized	Outstanding
Class "A"	121,804 sh.	121,804 sh.
Class "B"	123,088 sh.	123,088 sh.
N.p.v.		

*On completion of reorganization.

Funded Debt—

1st mtge. 5½% 20-yr. bonds, series "A" outstanding $6,584,000.

Officers and Directors—

L. W. Michael, sec.-treas.; Sir G. Garneau, Hon. W. G. Power, Hon. G. Parent, R. P. Kernan, Quebec; A. P. S. Glassco, Montreal; and A. C. M. Thomson, Quebec.

CONSOL. INCOME & SURPLUS ACCT.
For Year Ended Dec. 31, 1931

	$
Oper. profit for year	434,879
Less: Bond & debent. interest ..	644,289
Other interest	51,646
Deprec. & depl. res.	574,875
Net loss	835,931
Less: Previous surplus	66,458
Deficit for year	769,478
Add: Capital surplus	1,305,943
Less: Miscel. charges	139,091
Trans. to deprec. res.	397,374
Balance carried forward	nil

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common ..	..	..	12	10	27½	11

*To Sept. 16.

JAMES MACLAREN

Newcomer to Newsprint Field Operating on Limited Basis

Newsprint mill operations of the James MacLaren Co. at Masson, P.Q., are confined to one of the two 125-ton machines installed last year. The output is being marketed through the St. Lawrence Paper Sales Co., a unit of the St. Lawrence Corp.

The newsprint mill of the James MacLaren Co. is the latest addition to the industry and forms part of the general scheme of development by the MacLaren interests at Buckingham. This scheme covers a pulp and paper plant, saw mills and extensive water power developments, the total cost of which runs into more than $20,000,000.

No details are available in respect to earnings of the newsprint division, as the returns of the company are incorporated with those of the parent organization—MacLaren Power and Paper Co.

MacLaren Power & Paper

Capitalization—	Authorized	Issued
Common	750,000 sh.	500,000 sh.
N.p.v.		

CONS. INCOME & SURPLUS ACCT.
Periods* Ended Nov. 30, 1931

	$
Earnings from operations	746,274
Less: Depreciation	178,685
Bond int. less amount charged to capital construction	458,333
Net profit, subject to inc. tax ..	109,256
Less: Dividends	175,000
Deficit for year	65,744
Less previous surplus	674,468
Balance forward	608,724

*Full year's operations of The James Maclaren Co., and 11 months' operations of Maclaren-Quebec Power Co.

President: Albert Maclaren.

Minas Basin Pulp

Minas Basin Pulp and Paper Mills is one of the few pulp manufacturing companies operating in Nova Scotia. Plant comprises a modern groundwood mill at Hantsport, having a daily output of about 40 tons of air-dried pulp. Production is marketed with the Scott Paper Co. of the United States.

Minas Basin owns its own timber limits of about 50,000 acres and in addition has leased areas and also purchases wood direct from farmers. The company maintains a high standard of production and shipments have been going forward regularly this season.

Issue New Capital

Early in the year the company's capital was increased by $600,000 through the creation of additional shares of $50 par value with dividend ranking equal to the existing common shares. The new shares were offered to shareholders through the medium of rights. The old capitalization consisted of $100,000 of 7 per cent preferred and $150,000 of common stock.

Capitalization—	Authorized	Outstanding
Common	$250,000	$150,000
Preferred, 7%	150,000	100,000

Stock closely held.

In April, 1932, shareholders were asked to approve an increase in capital to $600,000, by creation of additional shares of $50 par value.

Officers and Directors—

Officers—Albert Parsons, pres.; C. P. Wyman, vice-pres. and mgr.; R. A. Jodrey, man. dir.; T. B. Akins, sec.-treas.

Directors—Albert Parsons, R. A. Jodrey, T. B. Akins, J. L. Illsley, Mrs. A. L. Wright and C. P. Wyman.

PRICE BROS. AND CO.

Rapid Decline in Market for Newsprint and Lumber, Together With Advances to Quebec Investment Co. Have Dangerously Weakened Position

For years past Price Bros. and Co. has been regarded as one of the strongest industrial organizations in the Dominion, both from an operating and financial point of view, but disclosures made this year revealed a state of affairs which showed, even to the uninitiated, that it would take many years to build the company up to its former strong position.

The downfall of this company, which has been in operation over 125 years, is linked up with the Quebec Investment Co. Both concerns are very closely identified with the Price family. The Quebec Investment Co. was started during the bull period to handle the investments of the Price family and their close associates. Originally it had a capitalization of $15,000,000, but the rapid decline in security values made it necessary for the Quebec Investment Co. to bring its capital down in line with the value of its holdings, and to that end capital was reduced to $3,000,000.

Bolster Stock Prices

Quebec Investment Co. had substantial holdings in the stock of Price Bros. and Co. and in order to bolster up quotations for this stock on a falling market, loans were made by Price Bros. and Co. without the approval of all the directors.

Fail to Meet Interest

While the investment company was having its troubles, Price Bros. and Co.'s own affairs were not getting along too well. Newsprint sales and prices both dropped substantially, while the market for its lumber output dwindled to small proportions. The result was a serious drop in earning power, and with the virtual wiping out of working capital owing to advances made to Quebec Investment Co., Price Bros. and Co. found it necessary to pass interest on its first mortgage bonds.

Shortly after this, the Quebec Investment Co. was put into voluntary liquidation. Some doubt is expressed as to the likelihood of Price Bros. and Co. securing the return in full of its loans.

Beaverbrook Takes Hand

Following the disclosure of the unhealthy position of the company, Lord Beaverbrook, a large holder of the company's common stock and principal customer for newsprint, entered the picture. He proposed a form of reorganization which included heavy concessions by the principal creditors. The sacrifices which the creditors were called upon to make were not received favorably and a few weeks back, Lord Beaverbrook announced the withdrawal of his scheme.

Following upon this action the bondholders took steps to form a Protective Committee. Actually the company will not be in default of its bond interest until November 1, so that no legal action can be taken by the committee to protect its interests until after that date.

Picture is Obscure

The whole picture is so obscure at the moment that it is difficult to forecast the possible outcome. While current operations are said to be satisfactory, the financial position of the company is so complicated that it is even possible a receivership will be appointed. In addition to bank loans and overdrafts amounting to over $4,700,000, the company has heavy current liabilities to meet.

Capitalization—	Authorized	Outstanding
Common	$50,000,000	$42,683,200
Pref. 6½% cum.	10,000,000	6,292,000
Par $100.		

Funded Debt—

1st mtge. 6 per cent bonds, series "A," due 1943, outstanding $11,061,600. Interest due Aug. 1, 1932, passed.

Dividend Record—

Preferred—None at present. Initial dividend of 1⅝ per cent paid April 1, 1925, and regularly to and including Jan. 2, 1932; payment due April 1, 1932, deferred; none since.

Common—None at present; former rate 2 per cent per annum, payable quarterly. Initial dividend of 2/5 per cent paid Jan., 1921; similar payment made Feb., 1921; April and July, 1921, ½ per cent each; Oct. 1, 1921, to July 2, 1931, ½ per cent quarterly; Oct. 1, 1931, ¼ per cent; none since.

Officers and Directors—

Officers—A. A. Aitken, pres.; Maj. A. P. Holt, vice-pres.; G. B. Elwin, sec.

Directors—A. A. Aitken, A. J. Brown, Sir W. Stavert, V. M. Drury, W. P. Creagh, C. S. Richardson, G. Porteous, A. H. Lang, G. T. Hardie, Montreal; Maj. A. P. Holt, Sir Ion H. Benn, Sir K. W. Price, London, Eng.

Times Bond Interest Earned—

Yr. end. last day Feb.:	1932	1931	1930
Before depr. & depl.	0.59	4.69	4.58
After depr. & depl.	nil	2.93	2.86

Earnings per Share and Dividend Record—

	1932	1931	1930
Preferred: Earned..	nil	$20.65	$20.08
Paid	$6.50	6.50	6.50
Common: Earned ..	nil	2.18	2.14
Paid	1.25	2.00	2.00

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1926	4,263,190	1,308,664	1,921,995
1927	4,063,211	1,308,664	2,229,911
1928	4,079,573	1,308,664	2,604,055
1929	3,413,715	1,304,329	2,667,146
1930	3,332,798	1,298,402	2,725,174
1931	3,308,954	1,284,983	2,802,420
1932	*583,769	952,933	175,254

*Loss.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	5	5	42	25	84	41
Pref.	..	..	99	70	107	95

* To September 26.

DRYDEN PAPER

Expect That Bond Interest Will be Covered This Year

Dryden Paper Co.'s position has been affected by the general decline in business activity in Western Canada, as well as through the unsettlement in kraft paper prices. It is understood, however, that current profits are sufficient to cover bond interest requirements.

Dryden Paper suffers from the same conditions which affect all operators in the pulp and paper industry. The declining demand and low prices restrict plant activity and earnings; in the kraft industry, overproduction exists, bringing about a situation similar to that prevailing in the newsprint industry.

General Decline Noted

Even operations of that valuable backlog, the Bates Valve Bag Co. which manufactures cement bags in the Dryden plant, have been affected. This company caters to the cement trade and lower constructional activities together with reduced demand for cement have curtailed output of bags from the Dryden unit.

Dryden Paper sells most of its kraft output in Western Canada. Expectations of a large crop in the Prairie provinces, with the possibility of improved business conditions, lend some encouragement to the outlook for the company. The balance sheet at the end of the last fiscal year showed a satisfactory liquid position.

Capitalization—	Authorized	Outstanding
Common	150,000 sh.	150,000 sh.
N.p.v.		

Funded Debt—

1st mtge S F gold bonds, 6 per cent, due 1949, outstanding $1,500,000.

Dividend Record:

None paid.

Officers and Directors—

Officers—J. H. A. Acer, pres.; F. A. Sabbaton, vice-pres.; H. Humphreys, treas.; E. S. Pincott, sec.; W. F. Robinson, asst. sec.

Directors—J. H. A. Acer, F. A. Sabbaton, G. Chahoon, Jr., P. A. Thomson, Dan McLachlan, J. B. Woodyatt, E. S. Pincott, E. R. Parkins, Montreal.

Times All Interest Earned—

	1931	1930	1929
Before depreciation	1.06	2.16	3.51
After depreciation	....	1.04	2.52
Earnings per Share	‡$0.035	$0.026	$1.01

‡Before depreciation.

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1925	$54,743	......	*$77,818
1926	225,096	......	96,873
1927	276,035	......	158,763
1928	325,707	......	210,253
1929	351,823	......	151,704
1930	193,967	......	162,439
1931	95,311	......	167,750

*Deficit.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	3	½	7	1½	19	4

* To September 26.

Quebec Revenues Exceed Expenses

Ordinary revenues of the city of Quebec exceeded ordinary expenses for the fiscal year ended April 30, 1932, according to a report of the city treasurer. Revenues totalled $3,748,101 against expenditures of $3,747,191, leaving a surplus of $910.

GOLDEN ANNIVERSARY
1882 - 1932

THE Golden Anniversary of the Rolland Paper Company Limited finds the third and fourth generations of the Rolland family and of its craftsmen still making fine papers in the tradition handed down to them by their fathers.

The ideals of integrity and progress upon which the organization was founded still permeate their methods and are proclaimed in the fine papers they produce today.

Amongst their comprehensive selection of papers, suited to every business need, Superfine Linen Record, the aristocrat of fine papers, still stands supreme as it did half a century ago.

ROLLAND
GOLDEN ANNIVERSARY PAPERS

HOWARD SMITH

Howard Smith
Canadian-made papers
have gained world-wide recognition

BONDS
LEDGERS
COVERS
BLOTTINGS
BOOK
AND
SPECIALTY
PAPERS

THE acceptance which Howard Smith papers have won in this country and throughout the world is largely due to a complete control of manufacture from raw material to finished product. With our own timber limits, mills, laboratories and engineering staff, we are enabled to produce economically many types of fine papers ranging from high grade bonds and ledgers down to low-priced grades suitable for books and magazines.

MADE IN CANADA

HOWARD SMITH PAPER MILLS
LIMITED
EXECUTIVE OFFICES—MONTREAL
TORONTO WINNIPEG
Mills at:
GASPE, P.Q. BEAUHARNOIS, P.Q.
CRABTREE, P.Q. CORNWALL, ONT.

HOWARD SMITH

ST. LAWRENCE CORP.

Holding Company for Brompton, St. Lawrence Paper and Lake St. John Power Finds Going Difficult — One Unit Defaults Bond Interest

Unsatisfactory newsprint market conditions have not been without their effect upon the position of St. Lawrence Corp., holding company for St. Lawrence Paper Mills, Brompton and Lake St. John Power and Paper.

During the past year the three operating companies produced 159,734 tons of newsprint, as compared with 206,161 tons in the preceding year. For the first three months of the current year, production was below the average for 1931. Kraft production at the Brompton mill reached an improved volume during the first half of the year, while prices held relatively well, though they were below the level of last year.

One Company Defaults

It is understood that St. Lawrence Paper Mills and Brompton are doing fairly well this year in that they are meeting all charges. Lake St. John Power and Paper, on the other hand, has been forced to notify the trustee that it is not in a position to meet interest on is bonds. A bondholders committee is in process of formation, and when completed, steps will be taken to devise arrangements of a satisfactory character. Meanwhile it is said that the position of St. Lawrence Corp. is not unduly affected by Lake St. John's troubles, and that if it became necessary, Lake St. John could be dropped from the picture.

Consolidation of these three companies has made possible certain administrative and other economies of which advantage has been taken. In 1930 total administration expenses amounted to $998,849, a figure which was cut down to $860,118 in the following year. At the end of last year the company had a satisfactory liquid position with net working capital amounting to $5,913,282, or a drop of less than $75,000 from the preceding year.

Outlook Only Fair

The immediate outlook for St. Lawrence Corp. is much the same as for other newsprint producers—restricted output, low prices and limited earning power. The points in favor of the company, from the investment point of view, are good management, up-to-date mills and low operating costs.

Earning power of the three properties controlled by St. Lawrence Corp. is on a limited basis. Last year operating profits amounted to $1,171,738, or less than half of that recorded in the preceding year. After taking care of depreciation, depletion and interest charges, there remained a debit balance for 1931 account of $183,225, which was further increased to $365,100 by the payment of dividends. On April 15, 1931, the regular quarterly 50-cent dividend on the company's class A preferred stock was reduced to 25 cents. The payment due on July 15 of the same year, was deferred and no dividends have been paid on this security since. Until there is a marked change in the operating position and earning power of the company, prospects for the resumption of dividends are remote.

Mentioned For Merger

St. Lawrence Corp. is another one of the companies which figure in the proposed merger of the major eastern Canadian newsprint companies. Considerable groundwork has been done in connection with this consolidation, but to date the matter is still in a tentative form.

Capitalization—

	Authorized	†Outstanding
Common ...... N.p.v.	*2,000,000 sh.	567,175 sh.
Pref. "A" cum. conv. red. .... Par $50.	$15,000,000	$14,710,150

*119,337 shares reserved for exchange against shares covered by outstanding subscription warrants, and options to subscribe for stock of St. Lawrence Paper Mills Co. and 600,000 for conversion rights of class "A" preferred.

†Upon completion of exchanges there will be $15,000,000 class "A" and 585,005 common shares outstanding.

Funded Debt—
None.

Dividend Record—
Class "A" Preferred—$2 cumulative from April 1, 1930, payable Jan., April, July and Oct. 15. Paid regularly July 15, 1930, and to April 15, 1931, when payment reduced to 25c. Payment due July 15, 1931, deferred; none since.
Common—None paid.

Officers and Directors—
Officers—N. A. Timmins, chm.; E. Rossiter, pres.; A. F. White, vice-pres.; H. W. Cressy, vice-pres. in charge of sales; A. M. Creighton, sec.-treas.
Directors—E. Rossiter, N. A. Timmins, J. I. Rankin, Sir C. B. Gordon, Lt.-Col. H. Molson, G. W. Scott, R. O. Sweezey, A. K. Cameron, H. C. Flood, R. W. Steele, W. W. Robinson, Montreal; A. F. White, H. H. Horsfall, G. R. Cottrelle, Toronto, Ont.; E. W. Pittman, New York.

Earnings per Share and Dividend Record—

	1931	1930	1929
Class "A": Earned	nil	$0.60	$3.43
Paid	$0.25	†1.50	....
Common: Earned..	nil	nil	0.73
None paid.			

†Three payments for period corporation was in operation.

Three Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	*3,206,463	600,000	428,533
1930	2,759,875	377,782	1,924,564
1931	1,171,738	73,863	1,378,456

*Earnings of combined companies before consolidation.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common	1	⅜	4	¼	8¾	2¼
Preferred ...	4	1⅛	12	2½	27½	7⅝

* To September 26.

LAKE ST. JOHN POWER AND PAPER
(Controlled by St. Lawrence Corp.)

Capitalization—

	Authorized	Outstanding
Common .... N.p.v.	100,000 sh.	†100,000 sh.
Preferred, cum. .. Par $100.	$4,000,000	*$3,600,000

*All these shares held by St. Lawrence Paper Mills Co.

†Upon completion of exchange, all these shares will be held by parent company. As at Dec. 31, 1931, approximately 99 per cent were so owned.

Funded Debt—
1st mtge. S. F. bonds series "A," 6½ per cent, due 1947, outstanding $4,888,000.
Mtge. debentures, series "A," 6½ per cent, due 1942, outstanding $2,849,000.
Interest on the bonds and debentures due Aug. 1, 1932, passed.

Officers and Directors—
Officers—E. Rossiter, pres.; R. W. Steele, vice-pres.; A. M. Creighton, sec.-treas.; A. C. Davy, asst. sec.-treas.
Directors—E. Rossiter, R. W. Steele, A. M. Creighton, N. A. Timmins, R. O. Sweezey, Montreal.

Times Interest Earned:

	12 Mos. end. Dec. 31 1931	†1929
Bond, before deprec. & depl.	1.79	*1.31
After deprec. & depl.	0.97	....
Deb., before deprec. & depl.	1.35	....
After deprec. & depl.	...	....

†10 Months. *All interest.
No statement published for 1930.

ST. LAWRENCE PAPER MILLS

Controlled by St. Lawrence Corp.

St. Lawrence Paper Mills, controlled by St. Lawrence Corp. has experienced lessened operations and smaller earnings this year. In 1931 the company produced 66,257 tons of newsprint, as compared with 95,566 tons in the preceding year.

Operating profits last year amounted to $427,452. Comparative figures for the preceding year are not available, but in the year ended June 30, 1930, St. Lawrence Paper Mills reported net earnings from operations of $1,389,496 after deduction of depletion and income tax, but before provision for depreciation.

As far as the current year is concerned, it is understood that income is sufficient to take care of operating and other prior charges, but still insufficient to care for the dividends on the preferred stock, which were eliminated on July 15, 1931.

Stake in Lake St. John

St. Lawrence Paper Mills is concerned with the Lake St. John Power and Paper Co., which recently notified the trustee of its inability to meet bond interest charges. St. Lawrence has a substantial financial stake in this company, having paid out over $2,000,000 for Lake St. John's preferred stock. It is possible that under the terms of the agreement to be entered into with the bondholders of Lake St. John, concessions will have to be made by both the preferred and common stockholders, which, in this case, are represented by St. Lawrence Paper Mills and St. Lawrence Corp., respectively.

In so far as St. Lawrence Paper Mills, own preferred stock is concerned, there is no prospect of early resumption of dividends.

ST. LAWRENCE PAPER MILLS
(Controlled by St. Lawrence Corp.)

Capitalization—

	Authorized	Outstanding
Common ...... N.p.v.	†1,000,000 sh.	514,675 sh.
Pref. cum. red. .. Par $100.	$19,000,000	$14,225,600

†94,387 shares reserved against allotment certificate subscription warrants; 105,000 against other subscription warrants identical in form. Further 19,500 shares under option at varying prices. Common shares of parent company are now reserved against these warrants and options to purchase.

Funded Debt—
None.

Dividend Record—
6 per cent cumulative from April 15, 1928, payable Jan., April, July and Oct. 15; paid regularly until April 15, 1931, when payment reduced to ¾ of 1 per cent; payment due July 15, 1931, deferred; none since.
Common—None paid.

Officers and Directors—
Officers—E. Rossiter, pres. and gen. mgr.; A. M. Creighton, sec.-treas.; A. C. Davy, asst. sec.-treas.
Directors—N. A. Timmins, chm.; E. Rossiter, H. C. Flood, R. W. Steele, A. Campbell, J. I. Rankin, Montreal.

Earnings per Share and Dividend Record—

Years ended	Dec. 31 1931	June 30 1930
Preferred: Earned	$0.24	$6.85
Paid	0.75	6.00
Common: Earned	nil	0.24
None paid.		

Seven Years' Earnings—
Year End. June 30:

Year	Earnings $	Dividends $	Surplus $
1924	785,337	......	345,297
1925	868,469	383,000	351,567
1926	*969,695	200,000	587,460
1927	*1,143,592	200,000	770,478
1929†	*1,430,734	888,770	738,033
1930	*1,389,496	855,000	859,811
1931‡	427,452	106,875	640,134

*After deduction of all manufacturing and other charges and expenses, including depletion and income tax, but before provision for depreciation.

†May, 8, 1928 to June 30, 1929. From date of organization of present company. No statement is available for the period from June 30, 1927, to May 8, 1928. Statements given for previous years are of the predecessor company, St. Lawrence Paper Mills.

‡Year ending Dec. 31.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Preferred ..	11	1⅛	30½	10	72	57

* To September 26.

B. C. PULP

Confronted With Difficulties, Company Closes Down Plants

Operating conditions surrounding the B. C. Pulp and Paper Co. this year have not been satisfactory, both the Port Alice and Woodfibre mills being closed down. These plants may be reopened during the fall, depending a good deal on the Oriental market and the fluctuations in Japanese exchange. Minor repairs are being made in both the company's mills during the shutdown.

Closure of the plants was staved off as long as possible. But in addition to a general slump in business the company has suffered heavily from fluctuations in the rate of exchange with Japan and other trans-Pacific countries

Reflect in Earnings

Naturally the shutdown will find reflection in earnings for the current year. In 1931 operations resulted in a deficit of $171,588 after payment of charges. A deficit of $142,348 was brought forward into the current year.

Owing to the continued decline in the company's earning power a proposal was put forward in May to bondholders whereby they waived interest payment for two years on the 7 per cent general mortgage bonds. At the same time sinking fund payments have been postponed until November 1, 1935, and interim payments cancelled.

Capitalization—

	Authorized	Outstanding
Common N. p. v.	150,000 shs.	100,000 shs.
Preferred 7% Par $100.	$1,000,000	$556,200

Funded Debt—
1st Mtge. S. F. gold bonds, 6 per cent, due 1950, outstanding $3,321,000.
General mtge. 7%, due 1950, outstanding $1,445,400.

Dividend Record—
Preferred 7 per cent per annum, cumulative from Nov., 1925, payable quarterly, Feb., May, Aug. and Nov. 1; $8.75 paid Feb., 1927, representing all accumulated dividends. Regular quarterly payments made thereafter to and including Aug. 1, 1931. None since.
Common—None paid.

Officers and Directors—
Officers—L. Killam, pres. and man. dir.; W. J. Blake Wilson, vice-pres.; O. A. Jorgenson, treas.; Miss E. M. Dominy, sec., Vancouver, B.C.
Directors — L. Killam, W. J. Blake Wilson, G. Kidd, R. C. Buchanan, W. H. Malkin, O. A. Jorgenson, C. Killam, Vancouver, B.C.; I. W. Killam and Dr. V. E. Mitchell, Montreal.

Times Interest Earned:

	1931	1930	1929
Before deprec.	1.17	2.12	1.74
After deprec.	0.53	1.17	1.18

Earnings per Share and Div. Record:

Preference:			
Earned	nil	$7.51	$7.32
Paid	$5.25	7.00	7.00
Common:			
Earned	nil	0.02	0.02
None paid.			

Six Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1926	807,232	38,934	42,126
1927	777,551	38,934	51,162
1928	723,335	38,934	54,401
1929	599,776	38,934	56,158
1930	671,903	38,934	58,440
1931	363,446	29,200	*142,348

* Deficit.

DON VALLEY PAPER

Added Blotting Paper in 1932 — Outlook Still Promising

Don Valley Paper Co. during the last year added the manufacture of blotting paper to its lines of cover paper, Bristol boards, tags and colored specialities. The company in the last five years has made good progress in manufacturing and sales and the reported outlook continues promising.

As far as the new line is concerned company officials report that considerable success has been made: considerable tonnage of blotting paper has been sold in two grades and in different weights and colors.

The new business is expected to add materially to the company's sales.

Sales in 1932 have so far been a little ahead of those in 1931 and profits have been maintained, although there have been no changes in the reduced prices made effective a year ago.

Dividends on preferred stock outstanding were earned, but will not be paid as the company, according to the president, feels that the better course is to turn the money back into plant. The policy of improving plant and insuring more efficient production has been continued.

Capitalization—

	Authorized	Outstanding
Preferred 7% .... Par $100.	1,500 shs.	679 shs.
Common .... N.p.v.	5,000 shs.	3,967 shs.

Officers—
N. E. Wainwright, pres.; R. H. Joyce, vice-pres.; J. F. MacKenzie, supt.

Brown Corporation

(A Canadian Corporation)

The holdings of this corporation comprise a pulp-making plant with a daily capacity of 300 tons of sulphate pulp, and chemical works for utilization of all waste, representing a cash investment of $19,000,000.

Water-power (developed and undeveloped), 140,000 h.p. The corporation's timber lands comprise approximately:

1,000,000 acres in fee simple
2,300,000 acres in timber leases
160,000 acres in stumpage

With an estimated total of over 13,000,000 cords of pulpwood, the corporation has practically an unlimited supply of raw material.

Manufacturers know Brown Corporation as a concern making a variety of pulps for special purposes. The most recent and outstanding achievement is Solka, a highly purified Alpha Fibre.

Most of the fibres made by Brown Corporation are sold to the parent company, Brown Co., Portland, Maine, and are converted into a variety of products such as yarns, innersoles, and upper-stock for shoes, the famous Nibroc Towels, and special papers possessing tremendous strength and durability combined with excellent printing surface and brightness of color. These products owe their outstanding characteristics to Solka.

CAPITAL
Common - - - $14,000,000

Principal Offices:
71 St. Peter Street, Quebec, P.Q.
Mills at La Tuque, P.Q.
Sales Office:
1115 University Tower Bldg., Montreal, P.Q.

ABITIBI POWER & PAPER CO.

Leading Company Defaults on Bond Interest Because of Paralysis of Bond Market Early in 1932

Abitibi Power and Paper Co., which resisted the depressing influences in the newsprint industry longer than most of the other leaders, is now operating under a receiver, G. T. Clarkson, who was appointed at the instance of the first mortgage bondholders, whose bond interest has not been paid since December 1, 1931. The interest on bonds outstanding to an amount of more than $48,000,000 was not paid when due on June 1 and the default became technical on Aug. 1. On September 26 the company was adjudged bankrupt and F. C. Clarkson was appointed liquidator. Leave was given by the court to apply the provisions of the Winding Up Act.

Abitibi Power and Paper Co., which apparently had one of the strongest financial positions of newsprint companies a year ago, came to the point where receivership was thought necessary for two reasons. The first cause was the general depressing influences beating on the industry; demand fell off until this as well as other companies were operating to less than 50 per cent of capacity. This company has a total capacity in its various mills in Ontario, Quebec and Manitoba of 2,200 tons of newsprint, 215 tons bleached sulphite, 250 tons new sulphite and 65 tons board and wrappers. This is in addition to the mills owned by its principal subsidiary, Provincial Paper Co.

Bad Bond Markets Hurt

Declining prices until newsprint is being quoted at $47.50 a ton has had a bearing, but the drop in volume was most serious. The almost total paralysis of the bond and stock markets also prevented the company doing further financing to complete its Abitibi Canyon project which it had guaranteed to have ready by October 1, 1932. It also had a contingent liability of $2,269,200 in connection with the purchase of Thunder Bay Paper Co. Except for these contingent liabilities the company's position seemed quite strong. Its secured bank loans amounting to $4,500,000 at the end of 1930 were reduced to $3,400,000 at the end of 1931 and at the end of the summer were down to about $300,000. The company did not conduct woods operations last winter because of the low demand for newsprint and for more than a year has been working on accumulated wood piles. It is expected that the receiver may authorize restricted woods operations in the coming winter in order to keep the wood piles large enough to meet any increase in demand. The company has large inventories to mill as yet, however.

Personnel Remains Same

The receiver, G. T. Clarkson, who is both receiver and manager now, has announced that the company's plants at Iroquois Falls and Sault Ste. Marie will remain in operation and that no changes in personnel will be made at present. The committee has retained Price. Waterhouse & Co. to report on the financial condition of the company and George F. Hardy is consulting engineer in connection with the company's water power problems.

The province was offered $18,000,000 of Hydro Commission government guaranteed 20 year debentures for the $20,000,000 of outstanding Ontario Power Service Corp. 5½ per cent bonds. On the condition that 90 per cent of the Ontario Power Service bonds are deposited the goverment will take title to the property. Interest is to begin April 1 and will be 3½ per cent per annum for 5 years, 4½ per cent for the next five years and 5 per cent for ten years. At the time of writing 90 per cent of the Ontario Power Service bondholders had not accepted the government offer and therefore the governmnt was free to proceed or withdraw its offer. It is expected to proceed.

Capitalization—

	Authorized	Outstanding
Common N. p. v.	1,500,000 shs.	†1,088,117 shs.
Pref. 7% cum.	$1,000,000	$1,000,000
Pref. 6% cum. Par $100.	50,000,000	*34,881,800

* Including 792 shares deposited for exchange of shares of the Spanish River Pulp & Paper Mills.

† Including 1,891 shares deposited for exchange of shares of subsidiary companies.

Funded Debt—
1st Mortgage Gold Bonds, series "A," 5 per cent, due 1953; outstanding $48,267,000.

Dividend Record—
7 per cent preferred. Initial dividend paid Jan., 1917; paid regularly to and including Oct., 1931; none since.
6 per cent preferred. Initial dividend paid Apr., 1928; paid regularly to and including Apr., 1931; none since.
Common—None paid since Oct., 1928.

Officers and Directors—
Officers—G. H. Mead, chm. of board; Alex. Smith, pres.; W. A. Black, vice-pres.; L. R. Wilson, vice-pres. and man. dir.; G. R. Gray, vice-pres.; W. H. Smith, asst. man. dir.; J. E. Patterson, mgr. of operations; T. Broadhurst, sec.; H. Young, treas.; L. B. Popham, asst. sec.; D. J. Cormack, asst. treas.
Directors—Alex. Smith, Chicago, Ill.; Sir Thomas Tait, V. E. Mitchell, A. J. Brown, W. A. Black, Montreal; G. H. Mead, Dayton, Ohio; G. E. Challes, W. K. George, T. H. Watson, L. R. Wilson, W. H. Smith, S. F. Duncan, Toronto; G. R. Gray, Sault Ste. Marie, Ont.; W. H. Carter, Winnipeg.

Times All Interest Earned:

	1931	1930	1929
Before deprec. and deplet.	1.93	2.65	3.28
After deprec. and deplet.	1.46	2.05	2.61

Earnings per Share and Div. Record:

7% Pref.:			
Earned	$105.70	$267.67	$411.18
Paid	5.75	7.00	7.00
6% Pref.:			
Earned	†2.83	7.47	11.59
Paid	1.50	6.00	6.00
Common:			
Earned	†...	0.47	1.97
None paid.			

† After deduction of full year's dividends on senior stock or stocks.

Six Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1926	*4,254,594	1,182,500	7,847,894
1927	*4,213,489	1,320,000	8,339,976
1928	7,380,964	3,964,178	59,145,391
1929	8,377,247	2,162,908	61,094,288
1930	7,374,337	2,407,908	61,609,365
1931	5,199,946	820,727	57,784,218

* Prior to 1928, statements are not consolidated.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Com.	3¼	⅝	13¾	2½	42¼	8¼
Pref.: 7%	..	..	105	80	110	103
6%	10	2	50	6½	86½	36¼

* To September 26.

PROVINCIAL PAPER

Abitibi's Great Subsidiary Continues on Sound Lines With Sales Off

Although Abitibi Power and Paper Co. is now operating under a receivership, its subsidiary, Provincial Paper, is believed to have maintained a strong financial set up and to have maintained operations which are permitting its bond interest to be earned and possibly the preferred as well.

Latest reports are that even in the fine paper of the industry there has been some reduction in business but on the whole this company's operations have stood up quite well.

Provincial Paper is a manufacturer and distributor of high grade book, bond, coated and writing papers. It has 5 plants, two located at Georgetown, Ont., and one each at Thorold, Mille Roches and Port Arthur. The total capacity of all the plants is about 190 tons per day. The company also leases 2,500 square miles of timber limits, located north of Lake Superior.

Provincial Paper
(Controlled by Abitibi Power & Paper Co.)

Capitalization—

	Authorized	Outstanding
Common* N. p. v.	100,000 shs.	100,000 shs.
Preferred 7% Par $100.	$3,500,000	$3,500,000

* Entire issue held by Abitibi Power & Paper Co.

Funded Debt—
1st Mortgage Bonds, series "A," 5½ per cent, due 1947, outstanding $4,900,000.

Dividend Record—
Preferred, 7 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial payment July 1, 1927, and quarterly since.
Common—$1.25 paid in 1930; none since.

Officers and Directors—
Officers—S. F. Duncan, pres.; T. A. Weldon, vice-pres.; W. S. Barber, sec. and treas.
Directors—S. F. Duncan, T. A. Weldon, A. Smith, L. R. Wilson, A. F. White, E. R. Wood, W. H. Smith, all of Toronto.

Times Interest Earned:

	1931	1930	1929
Before deprec.	3.77	4.34	4.52
After deprec.	2.57	3.25	3.52

Earnings per Share and Div. Record:

Preferred:			
Earned	$9.29	$14.75	$16.70
Paid	7.00	7.00	7.00
Common:			
Earned	0.80	2.71	3.39
Paid	nil	1.25	...

Five Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1927* ...	774,123	168,333	72,927
1928	1,140,230	245,000	186,775
1929	1,136,088	245,000	526,243
1930	995,747	370,000	672,431
1931	782,784	245,000	752,570

* For 8 months.

Western Quebec Paper

Controlled by Canada Paper

Western Quebec Paper Mills, owning a small specialty paper plant at St. Andrews East, P.Q., disposed of its property this year to Canada Paper Co., subsidiary of Howard Smith Paper Mills Co.

In 1928 Western Quebec Paper Mills passed into the hands of the liquidator. Since then operations have been carried on intermittently, production consisting of tissues, manifold and onionskin papers.

It is understood Canada Paper will use the unit for the manufacture of such grades as absorbent wadding; facial tissues, and so forth, of a kind not presently manufactured in Canada.

Provincial Paper Limited

Head Office: 74-78 UNIVERSITY AVE., TORONTO

MANUFACTURING

Book, Writing, Bond and Coated Papers, Sulphite and Groundwood Pulp

Paper Mills at

MILLE ROCHES, ONTARIO THOROLD, ONTARIO
GEORGETOWN, ONTARIO PORT ARTHUR, ONTARIO
Pulp Mill: PORT ARTHUR, ONTARIO

Bear River Pulp

There has been no change in the position of the Bear River Pulp Co., which continues in liquidation. The plant is located at Bear River, N.S., but has been inoperative for several years.

The principal asset of the company is approximately 50,000 acres of timberland, as well as an additional 10,000 acres under license.

Serving Canada's Pulp and Paper Industry Electrically

General Electric Equipment for Pulp and Paper Mills Includes:

- Generators
- Steam Turbines
- Switchboards
- Circuit Breakers
- Transformers
- Motors
- Industrial Control
- Motor-Generators
- Electric Locomotives
- Arc Welding Equipment
- Industrial Lighting
- Wire and Cable
- Edison Mazda Lamps

ELECTRICAL equipment manufactured by Canadian General Electric is found, from Coast to Coast in pulp and paper mills, increasing production and making operation safer, cleaner and more efficient.

Canadian General Electric Co. Ltd., backed by forty years of manufacturing experience, maintains five well-equipped factories at Peterborough and Toronto, and a chain of branch offices from Halifax to Victoria.

C. G. E. has kept pace with the growth of the Pulp and Paper Industry, and enjoys the distinction of having pioneered many of its most outstanding electrical developments.

CANADIAN
GENERAL ELECTRIC
COMPANY LIMITED
Head Office-Toronto—Sales and Engineering Offices in Principal Cities

Production Figures Show Decline in Pulp and Paper

(Calendar Years)

Newsprint

Year	U. S. production	U. S. Imports from Canada	Canadian production
1931	1,157,497	1,753,741	2,220,775
1930	1,282,372	1,973,698	2,504,147
1929	1,392,276	2,510,634	2,728,827
1928	1,415,000	1,926,277	2,381,000
1927	1,485,495	1,748,404	2,082,830
1926	1,686,695	1,658,240	1,889,208
1925	1,530,000	1,295,000	1,536,523
1924	1,481,000	1,197,000	1,353,000
1923	1,485,000	1,108,000	1,266,000
1922	1,448,000	896,000	1,080,000
1921	1,225,000	657,000	808,000
1920	1,512,000	679,000	875,000
1919	1,375,000	624,000	803,000
1918	1,260,000	581,000	735,000
1913	1,305,000	219,000	350,000

Pulpwood

	Cords
1931	5,064,291
1930	5,977,183
1929	6,536,335
1928	6,328,610
1927	5,929,456
1926	5,621,305
1925	5,092,461
1924	4,647,201
1923	4,654,663
1922	3,923,940
1921	3,273,131
1920	4,024,826
1919	3,498,981
1918	3,560,280
1917	3,122,179
1916	2,833,119
1915	2,355,550

Book and Writing

	Tons
1931	59,580
1930	69,468
1929	73,502
1928	79,438
1927	75,072
1926	80,403
1925	74,724
1924	67,934
1923	81,120
1922	64,808
1921	53,530
1920	73,196
1919	58,228
1918	48,150
1917	48,141

Wrapping Paper

	Tons
1931	77,194
1930	78,320
1929	91,374
1928	111,667
1927	102,707
1926	97,057
1925	91,417
1924	89,441
1923	84,912
1922	81,793
1921	52,898
1920	77,292
1919	59,697
1918	61,180
1917	50,360

Paperboard

	Tons
1931	202,854
1930	233,217
1929	250,061
1928	193,061
1927	161,497
1926	155,469
1925	144,646
1924	135,252
1923	130,582
1922	113,200
1921	89,114
1920	158,041
1919	137,678
1918	87,749
1917	54,080

Bleached Sulphite

	Tons
1931	301,357
1930	293,394
1929	324,548
1928	304,769
1927	305,125
1926	256,868
1925	227,465
1924	200,764
1923	204,297
1922	146,690
1921	154,804
1920	138,624
1919	109,795

Sulphate and Soda Pulp *

	Tons
1931	145,156
1930	188,253
1929	265,041
1928	275,322
1927	262,512
1926	256,075
1925	242,207
1924	218,207
1923	224,813
1922	217,862
1921	131,337
1920	188,487
1919	158,475
1912	33,469

*Soda output is small; about 18,000 tons annually.

Unbleached Sulphite

	Tons
1931	640,222
1930	581,961
1929	747,652
1928	769,456
1927	710,935
1926	738,235
1925	615,320
1924	567,271
1923	545,371
1922	532,188
1921	322,125
1920	515,649
1919	452,320

Groundwood Pulp

	Tons
1931	2,016,480
1930	1,614,291
1929	2,420,774
1928	2,122,916
1927	1,922,124
1926	1,901,268
1925	1,621,917
1924	1,427,782
1923	1,419,547
1922	1,241,185
1921	931,560
1920	1,090,114
1919	990,902

Conquest of Depression

Exit Hard Times

"Canada Comes Through" tells the story of Canada's striking conquest of economic troubles in the following panics and depressions:

1837—when Upper Canada was the bluest spot in the world;
1848—when business seemed to collapse;
1857—the hardest days in all our history;
1868—the testing time of a new nation;
The 70's—the seven lean years before the C.P.R. and the National Policy;
The 80's—a period of falling prices throughout the world;
1893—the dying thrust of the long price decline;
1907—not so bad in Canada but hard on other countries;
1913—the worst effects of which were deferred by the war;
1922—when "the Whisper of Death" was heard in Canada;
1929-32—from which Canada will again emerge triumphant.

Depressions Not New to Dominion

THE FINANCIAL POST has issued in pamphlet form a series of articles, which it published, dealing with the ten depressions which Canada has experienced in one hundred years. These were written by the editor, Floyd S. Chalmers, and have a timely interest in view of the evidence that the Dominion is emerging steadily from the great economic dislocation extending from 1929 to 1932.

The depression just ending had been regarded by many timid souls as presaging the end of the world. By this time next year they may be as scarce as pessimists were in 1929. As Mr. Chalmers observes, depressions always look worse when they are on than when viewed in the cold light of history.

—Editorial from the Calgary Herald.

RECENTLY The Financial Post published a series of eleven articles on the ten depressions that Canada has come safely through in the last one hundred years, and on the eleventh which she is now experiencing. Tremendous interest was shown by many readers in these articles; they have now been reprinted in the form of a small booklet which is available at nominal cost.

This is a striking record of economic conquest; of Canadian growth through good times and bad. It inspires courage and faith in our ability to go on from the present crisis to new and greater developments.

A study of economic history makes us wise. We understand the present depression and its problems better when we understand previous similar periods. Reading this booklet is a pleasant duty for every business man.

Copies, thirty-two pages and paper cover printed in two colors, illustrated with eleven charts 25c

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143 University Avenue, Toronto.
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BUILD. PRODUCTS

Working Capital Position Remains Strong — Dividend is Reduced

Building Products Ltd. owns paper mills at Port Neuf and Pont Rouge, Que., having a combined output of 55 tons per day. The Portneuf mill manufactures solid fibre shipping cases and "Insul-board." The chief products of the company which also has mills at Hamilton, Ont., and Montreal, are asphalt shingles, roll roofing, roofing felt, wallboard, waterproof paints and cements.

Earnings of the company declined in 1930 and 1931 but dividends of $2 per share were covered. In June, 1932, dividend on the class A and B shares was reduced to $1.40 per share per year. The company has no funded debt and has maintained a strong liquid position with ratio of current assets to current liabilities being 19.21 to 1 at December 31, 1931.

Capitalization—	Authorized	Outstand.
Cl. 'A' (non-vot.)	116,346 sh.	116,346 sh.
Cl. 'B' (voting)	4,500 sh.	4,500 sh.
N. p. v.		

Funded Debt—
None.

Dividend Record—
Common, Class "A" and Class "B"—$1 per share per annum, payable quarterly, Jan., Apr., July and Oct. 1. Reduced from $1.40 per annum, Oct. 1, 1932.

Officers and Directors—
Officers—P. R. Allen, pres.; W. R McNeil, vice-pres. and man. dir.; R. C. Crooker, sec.-treas.; C. P. Cowan, gen. mfg. mgr.; D. P. Hatch, gen. sales mgr.
Directors—P. R. Allen, East Walpole, Mass.; W. R. McNeil, Montreal; A. E. Ames, Toronto; C. P. Cowan, Montreal; D. P. Hatch, Montreal; W. Brainerd, G. M. McKee, Montreal; C. B. McNaught, Toronto; G. H. Montgomery, Montreal.

Earnings per Share and Div. Record:

	1931	1930	1929
Classes 'A' & 'B':			
Earned	$2.18	$2.70	$3.41
Paid	2.00	2.00	1.70

Six Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1926	210,000	52,500	159,240
1927	331,737	83,708	402,269
1928	376,395	191,818	643,465
1929	418,482	212,040	849,907
1930	326,434	241,692	934,649
1931	263,820	241,692	956,778

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Com. 'A'	20¼	10	26	15½	29¼	20

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* To September 26.

PACIFIC MILLS.

Satisfactory Results Last Year — Addition for Vancouver Unit

Pacific Mills Ltd., Canadian subsidiary of the Crown Zellerbach Corp., has managed to maintain operations on a relatively satisfactory basis. During the year ended April 30 last the company had a net profit after bond interest, depreciation and taxes, of $215,904, or slightly more than half of that reported in the preceding year. After payment of $119,934 in preferred dividends, there remained a surplus of $97,970, which brought total surplus to $6,282,968.

Pacific Mills was formerly controlled by Crown Williamette, which company was taken over by Crown Zellerbach. The principal operations are carried on at Ocean Falls, B.C., while a paper specialty plant is operated at Vancouver. In connection with the latter, contract was let this month for the building of an addition, which will involve a total capital outlay of around $127,000.

There is little public investment interest in the Pacific Mills, Crown Williamette owning 92.47 per cent of the common stock and 68.94 per cent of the preferred stock.

Crown Williamette Paper

Capitalization—	Authorized	Outstanding
Common, n.p.v.	1,000,000 sh.	1,000,000 sh.
1st pref. $7 ..	200,000 sh.	200,000 sh.
2nd pref. $6 ..	41,000 sh.	41,000 sh.
N.p.v.		

Common stock is owned by Crown Zellerbach Corp.

Funded Debt—
1st mtge. 6 per cent S. F. gold bonds, due 1951, outstanding $17,908,500.

Dividend Record—
1st preferred — $7 per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid Apr., 1926.
2nd preferred — $6 per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid Apr., 1928.
Common—None paid.

Officers and Directors—
Officers—L. Bloch, pres.; R. A. McDonald, A. B. Martin, G. P. Berkey, vice-pres.; T. McLaren, vice-pres. and treas.; D. J. Goldsmith, sec. and asst. treas.; C. M. Whitney, J. L. Seeley, L. Frank, asst. treas. and asst. sec.
Directors—L. Bloch, H. Fleishacker, M. Fleishacker, G. S. Towne, A. B. Martin, C. K. McIntosh, E. S. Pillsbury, F. Schwabacher, J. H. Schwabacher, R. A. McDonald, J. Zellerbach, G. Leib, W. H. Orrick, all of San Francisco.

Interlake Tissue Mills

Though operations and earnings statements as reported by other operators in the Canadian pulp and paper industry have not been particularly satisfactory, Interlake Tissue Mills has been able to carry on its business on a profitable basis.

The company is interested in the production of paper specialties, such as napkins, towels, decorative crêpes and other high-grade products, the demand for which remains fairly constant from year to year and is not subject to the extravagant competitive conditions which have prevailed in other branches of the industry.

Capitalization—	Authorized	Outstanding
Common	$1,000,000	$625,000
Par $100.		

Funded Debt—
1st mtge. S. F. bonds, 6 per cent, due 1935, outstanding $125,000.

Officers and Directors—
G. Carruthers, pres. and gen. mgr.; S. F. Duncan, vice-pres. and treas.; W. J. Parks, sec.; A. Fasken, S. B. Munroe, A. B. Connable, A. E. Curtonius, Kalamazoo, Mich.; T. A. Weldon.

Canadian International Paper Company

1155 Beaver Hall Square, Montreal

NEWSPRINT PAPER
BLEACHED SULPHITE PULP FOR RAYON
AND FOR HIGH-GRADE BOOK PAPERS

NEWSPRINT MILLS:

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THREE RIVERS, QUE.
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BLEACHED SULPHITE PULP MILLS:

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QUEBEC PULP

All Plants Are Closed Down — Management Conserving Resources

Faced with difficult marketing conditions and a price which did not permit of profitable operation, Quebec Pulp and Paper Corp. has closed down all of its plants. At one time the company had in operation three plants, two at Chicoutimi and one at Val-Jalbert, with an aggregate capacity of 375 tons of groundwood pulp per day. The Val-Jalbert plant was dismantled in 1929, the No. 2 plant a short time later, while the No. 1 plant at Chicoutimi closed down last year.

Quebec Pulp and Paper has been operating at a loss for several years. It has large areas of valuable timberlands, but the state of the pulp market for some years has been such as to prevent the company from operating profitably. Consequently the management has centred its efforts on maintaining the property and keeping down overhead costs.

The only public investment interest in this enterprise lies in the preferred stock. The common stock is owned jointly by Price Bros. and Co. and Consolidated Paper, the latter which acquired its interest through the absorption of Port Alfred Pulp and Paper.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	100,000 sh.	100,000 sh.
Pref. non-cum. red. Par $100.	$7,000,000	$7,000,000

Common—All held jointly by Port Alfred Pulp & Paper Corp. and Price Bros. & Co.

Dividend Record—
Preferred—7 per cent per annum. None paid to date.
Common—None paid.

Officers and Directors—
Officers—A. J. Brown, K.C., chm. of board; A. S. McNichols, pres.; C. E. Bergeron and Major E. Flynn, vice-presidents; O. Brand, treas.; J. M. Carrignan, sec.
Directors—A. J. Brown, K.C., A. S. McNichols, G. M. McKee, C. R. Whitehead, Montreal, P.Q.; J. H. Price, J. L. Apedaile, C.A., Major E. Flynn, Quebec; C. E. Bergeron, Port Alfred, P.Q.

CONS. INCOME & SURPLUS ACCT.
Year Ended Dec. 31, 1931

Revenue:	
From invest. & other int.	31,080
From sale of stored pulp	3,339
Miscellaneous	1,797
Non-operating expense:	
Adminis. & general	28,512
Fixed & standing chgs.	176,687
Chicoutimi plant	12,270
Val Jalbert plant	4,800
Woods department	8,784
Miscellaneous	7,310
Loss before depreciation	201,647
Add: Previous deficit	945,664
Less: Trans. from res. for contg.	54,110
Deficit to balance sheet	1,093,202

PORT ROYAL PULP

Nashwaak Properties Have Been Taken Over by Quebec Group

Nashwaak Pulp and Paper Co., one of the oldest established pulp plants in New Brunswick, lost its identity this year when the property was sold to Quebec interests, who formed a new company under the name of Port Royal Pulp and Paper.

Nashwaak closed its plant in October, 1930, when trade conditions made it inadvisable to continue further manufacture. The company was a subsidiary of the Oxford Paper Co. of the United States, which acquired control in 1916. There was no direct Canadian investment interest in the company until the recent sale.

Start Operations Shortly

The new owners have already taken over the plant and are busily engaged in renovating the equipment, which is expected to bring about an increase in production facilities from 85 to about 125 tons of sulphite pulp daily. As far as can be ascertained at this time, there is no intention of the Port Royal Pulp and Paper doing any public financing, the necessary capital being secured from private sources.

Specify Donvale Covers and Don Bristol Board

DON VALLEY PAPER
CO. LIMITED
TORONTO, ONTARIO

CONSOLIDATED PAPER CORP.

Concerted Efforts Being Made to Put Organization on Its Feet — Operations Are Not Especially Profitable — Hearst Contract Causing Concern

Despite considerable opposition from minority security holders, the reorganization plan for Canada Power and Paper as submitted by the Dunning Committee met with majority approval. Consequently Consolidated Paper Corp. was formed to take over the old company and its subsidiaries. Steps have already been taken to wind up the old concerns and it is expected that all legal work in connection with the reorganization will be completed by the end of this year.

Canada Power and Paper was obviously over-capitalized. Not only was its debt too great in relation to earning power, but the stock had been liberally watered. The reorganization, therefore, brought about a reduction of nearly 50 per cent in the senior and virtually wiped out the old common stock.

Necessity of Reorganizing

Back of the reorganization was the necessity of keeping Canada Power out of the bankruptcy courts, in order that the contract entered into with the Hearst newsprint buying organization might be retained. It will be recalled that at one time Hearst formed the Dominion Newsprint Co. to establish a 1,000 ton newsprint mill in Newfoundland. Canada Power entered into this picture. The Dominion company had as its most important asset a contract to supply all of Hearst's newsprint requirements upon the expiration of present contracts, something over 500,000 tons being involved in the agreement.

When it was found inadvisable to go ahead with the Newfoundland enterprise, Dominion Newsprint transferred the contract to Canada Power and Paper. An important clause in this contract was that it became void if the holder went into bankruptcy.

Moved to Hold Contract

Canada Power and Paper was apparently headed for bankruptcy and in order to hold the Hearst contract steps were taken immediately to effect a reorganization, designed to relieve the company of many of its most pressing liabilities and at the same time strengthen its capital structure. This was accomplished through the workings of the Dunning committee.

Since the plan was approved various changes have taken place to put the company in a stronger working position. The administration and working forces have been reorganized. The company let go its interest in the Thunder Bay Paper Co. to Abitibi Power and Paper in order to save the heavy carrying charges on the idle plant, as well as contingent capital liabilities.

Cut Down Expenses

No wood cutting has been undertaken by the new management, the mills being supplied from the wood piles already at the door of each plant. As the wood was used up at one plant, production was switched to another unit.

Despite the strenuous efforts of the management, it is understood that operations have not been particularly productive. The overhead costs of this unwieldy organization have been especially heavy and the limited scale of operations, has made it difficult for the management to meet expenses.

Hearst Contract Troubles

Until a short time ago, however, the management were content to carry on knowing that they had no fixed capital charges to meet until 1936, while the contract with Hearst would come into effect at the beginning of 1933. The first contract with Hearst to expire was that of the Anglo-Canadian Pulp and Paper Co., amounting to 120,000 tons per annum. Anglo was formerly a part of the Canada Power set-up, but was divorced under the reorganization scheme as the new company did not wish to assume heavy guarantees assumed by Canada Power in connection with bond interest and preferred stock dividends.

A few months ago it became known that despite the contract existing with Consolidated Paper, the Hearst buying organization had renewed its contract with Anglo, on a price basis substantially lower than that then in effect. This is said to be distinctly in contravention of the existing agreement, but Consolidated Paper is put in the awkward position of not being able to take legal action to protect its interests until the contract with Hearst comes into force—at the beginning of 1933.

Are Making Overtures

Meanwhile it is understood that overtures have been made between representatives of Consolidated Paper and the Hearst newsprint buying organization but no conclusions have been reached in respect to the attitude of the latter to the former's contract.

Any impairment of this contract is a serious blow to Consolidated Paper. The reorganization and all subsequent actions were based on the premise that beginning with 1933 the company would have an additional tonnage of 120,000 tons yearly, while by 1936 there would be sufficient business from this one source to keep all plants operating at or near capacity.

Possible Serious Blow

If Hearst is successful in breaking the contract with Consolidated, as some paper men think he will be, the position of Consolidated is far from pleasing. It might even be necessary to carry out another reorganization, making a further drastic cut in capital structure as the present structure is based on the assumption that the company would get the Hearst business.

The troubles of the company may come to naught however, if proposals for a merger of the major newsprint producers is carried through. Work along these lines has been going on for over a year. To date no definite plan has been made public, but recent happenings in the newsprint world would indicate that the parties concerned have a plan in mind and that a proposal may be put before those concerned within the near future.

Outlook in Doubt

Even if Consolidated Paper is brought into the folds of another merger, it is difficult to conceive how such an arrangement can be effected without further paring down of capitalization, as the other newsprint producers mentioned for the merger will not favor entering consolidation with Consolidated Paper as the latter's capital now stands.

Looked at in any light the immediate outlook for Consolidated Paper is far from encouraging. The settlement of the Hearst contract, if on a favorable basis, would go a long way toward strengthening the company's position, but as long as any uncertainty exists over the validity of this agreement, then the prospects for Consolidated Paper can hardly be regarded as promising.

Capitalization—	Authorized	*Outstanding
Common ...... (N.p.v.).	2,000,000 sh.	1,547,141 sh.

*Upon completion of exchange of shares.

Funded Debt—
First mtge. bonds authorized $100,000,000. Authorized as 5½ per cent 30-year bonds and debenture stock, $65,000,000. To be issued, $51,058,522.
Other issues—Wayagamack News, $1,431,774; Ha. Ha. Bay Co., $137,300.

Officers and Directors—
The following have been named as directors by the Protective Committee for a period of five years to 1936: La M. J. Belnap, F. G. Daniels, N. J. Dawes, Hon. C. A. Dunning, R. H. McMaster, E. A. Macnutt, C. F. Sise, all of Montreal; and Col. H. D. L. Gordon, Toronto, and J. J. Rudolf, New York City.
The following have been elected directors by the shareholders for a period of one year: H. Crabtree, W. H. Howard, Beaudry Leman, A. B. Purvis, of Montreal; and Maj.-Gen. The Hon. S. C. Mewburn, of Hamilton. La M. J. Belnap has been named president of the company.

FRASER CO'S.

Over-Expansion and Lack of Working Capital Necessitates Reorganization — Plan is Opposed and Amendments Incorporated in Original Scheme

Over-expansion of plant facilities, drop in demand and lowering of values, all combined to force Fraser Cos. and its subsidiaries in a position where a reorganization was essential in order to prevent the enterprise from being put into bankruptcy.

During the past two years it had been common knowledge that Fraser Cos. would have to go through some form of reorganization. The company had undertaken heavy capital expenditures on account of plant just at a time when the market was breaking. In addition the sale of lumber became more and more difficult and even though this division dumped its products on the market, little relief was afforded. Earnings dropped sharply and a large deficit was piled up during the past two years.

Plan is Presented

Early this year it became apparent that the company was not in a position to meet heavy liabilities maturing at mid-year. In June a plan of reorganization for Fraser Cos. and its subsidiary, Restigouche Co. was put before the various security holders.

Briefly the plan provided that the debenture holders would take 2 shares of new no par value common stock for each $100 par value of holdings; first mortgage bondholders would receive par for par; common shareholders were to get one new share for each 10 held; three year note holders (unsecured) to receive the same treatment as the debenture holders; while the three year secured note holders exchange their security par for par for Restigouche bonds. There were various restrictions imposed as to payment of dividends and responsibility of Fraser Cos. in relation to Restigouche, as well as provision for the issuance of prior lien bonds in order to take care of banking advances, and the temporary passing of bond interest.

Opposition to Proposal

The proposal met with strong opposition in different quarters and before approval was given to the plan of reorganization, the following amendments had been made: common stockholders to get one new share for each 20 held, instead of 10;

Additional first mortgage bonds cannot be issued unless interest has been earned twice over instead of 1½ times;

Prior lien bonds on the Restigouche Co. cannot be issued in excess of $500,000, instead of the original plan's amount of $1,000,000;

Controlling interests of the Fraser Cos. will not be allowed to divorce the Restigouche Co. at any time they see fit. The latter must continue to form a part of the former until June 1, 1935 and then the Fraser Cos. can only be released from their guarantee of The Restigouche bonds by giving three months notice.

Opposed to Trust

Opposition was also shown by the security holders to the members proposed for the voting trust which was to take over control of the common stock. Finally an agreement was reached whereby the sponsors of the plan named three members, the Toronto group one and the Montreal group one.

Further meetings of the security holders have to be held in order to pass upon the amendments to the original plan. This is regarded as a mere formality and when accomplished, the Courts will be asked to approve the scheme.

Features of Scheme

There are two features of this reorganization plan, which have called forth comment. In the first place the funded debt and its charges under the amended plan will be greater than before the reorganization. Some regard this as a serious stumbling block to the successful rehabilitation of the enterprise. Secondly, the plan has been drawn up on the basis of an earning power far greater than that prevailing today and more comparable to that in boom times. Though it is claimed that Fraser Cos. are not faced with the same problems as the newsprint producers, whose capital is widely out of line with actual and potential earning power for many years to come, close followers of the pulp and paper industry hold to the belief that Fraser's capital should have been reduced.

Present Capitalization—	Authorized	Outstanding
Common N. p. v.	500,000 shs.	403,782 shs.

Funded Debt—	Outstanding
Notes due uly 1, 1932, secured	*$4,000,000
6% notes, due July 1, 1932 & accr. interest	†3,620,000
6% 1st mtge. bonds, due 1950	8,202,000
6½% debs., due 1942	‡6,487,500
5% refund. mtge. and coll. trust, due 1955	§5,000,000

* Secured by $5,000,000 refunding mortgage and collateral trust 5 per cent bonds due July 1, 1955. † $3,090,000 secured. ‡ Including $487,500 interest accrued. § Issued as collateral for $4,000,000 notes, due July 1, 1932.

After Reorganization—	Authorized	To be Issued
Common	500,000 shs.	170,378 shs.
Prior lien bonds	$2,000,000	$1,000,000
1st mtge. bonds	15,000,000	11,002,000

Dividend Record—
25c. paid quarterly Apr. 1, 1928, to Oct., 1929; none since.

Officers and Directors—
Officers—Arch. Fraser, pres.; K. S. Maclachlan, vice-pres. and gen. mgr.; D. Fraser, vice-pres.; T. A. Henry, vice-pres. in charge of sales; L. M. Sherwood, vice-pres. of finance and treas.; W. Matheson, vice-pres. of property and sec.; W. Brebnes, vice-pres. of subsid. companies.
Directors—Arch. Fraser, Fredericton, N.B.; D. Fraser, Plaster Rock, N.B.; W. C. Pitfield, Montreal, Que.; W. Matheson, D. A. Fraser, Edmundston, N.B.; T. Matheson, Edmundston, N.B.; H. Mead, Dayton, Ohio; K. S. Maclachlan.

Times All Interest Earned:	1931	1930	1929
Before deprec. and deplet.	...	...	1.02
After deprec. and deplet.	...	...	0.49

Earnings per Share and Div. Record:			
Common:			
Earned	...	...	...
Paid	...	...	0.75

Eight Years' Earnings—

Year	‡Earnings $	Dividends $	Surplus $
1924	1,129,324	......	1,268,278
1925	1,133,070	109,868	1,182,408
1926	1,561,825	357,349	1,350,972
1927	1,672,954	362,750	1,582,165
1928	1,765,154	371,179	1,599,710
1929	*1,419,961	301,048	937,901
1930	*278,289	......	†3,281,570
1931	*1,382,341	......	†5,467,374

* Includes Restigouche Co.
† Deficit.
‡ After taxes and provision for bad debts.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Com.	1	¼	3	½	17½	2½

* To September 26.

Restigouche Company
(Owned by Fraser Companies)

Capitalization—	Authorized	Outstanding
Common N. p. v.	250,000 shs.	250,000 shs.

All owned by the parent company.

Funded Debt—
1st Mtge. S. F. bonds, Series "A," 5½ per cent, due 1948, outstanding $1,846,000.
Series "B" 6 per cent, outstanding $3,000,000. Pledged as security for parent company's 6 per cent convertible collateral trust notes.

After reorganization—	Authorized	To be issued
Prior lien bonds	$1,000,000	$100,000
1st Mtge. bonds ..	4,846,000	
To holders of 5½% ser. A		1,846,000
To holders of 3-yr. sec. notes		3,000,000

Officers and Directors:
Officers—A. Fraser, pres.; D. Fraser, vice-pres.; A. W. Brebner, treas.; W. Matheson, sec.
Directors—A. Fraser, Fredericton, N.B.; W. Matheson, A. W. Brebner, D. A. Fraser, Edmundston, N.B.; D. Fraser, Plaster Rock, N.B.; W. C. Pitfield, Montreal; J. H. Price, Quebec.

Income and Deficit Account
For Year Ended December 31, 1931

	$
Earnings, after oper. exp., taxes and prov. for bad debts	104,482
Less: Prov. for decline in invent.	28,000
Bank int., less sdry. credits ..	82,020
Bond int., incl exchange	303,010
Int. on adv. from Fraser Cos.	217,963
Deficit before depreciation	526,511
Prov. for deprec. of fixed assets	141,107
Prov. for depl. of timber limits	2,187
Deficit for year	669,805
Add: Previous deficit	1,077,358
Further w/o of invent. at Jan. 1, 1931, to reduce to est. realizable values	268,254
Deficit as per balance sheet	2,015,417

MINNESOTA & ONTARIO PAPER

Reorganization is Ultimate End of Receivership — Progress to Date is Slow — Big Loss Shown in Last Financial Statement

Minnesota & Ontario Paper Co. has continued operations under the receivership entered in February, 1931, and since that time no payment has been made on account of bonds and debenture interest. It is not anticipated that such payment will be resumed until after the company is reorganized and earnings of the reorganized company justify distribution. The receivers, however, are understood to have contracts for more newsprint tonnage than when the company went into receivership, although the prevailing market price is lower. This is taken as an indication that the company is at least holding its position in the newsprint industry.

Interests of the bondholders is in the hands of a Bondholders' Protective Committee and while some progress has been made the low demand for newsprint and the over-expansion that has occurred in the Canadian newsprint industry continue to provide difficulties which it may take some time to overcome.

Minnesota & Ontario Paper manufactures and distributes newsprint, kraft, pulp and lumber. In addition it generates power for its plants located at Fort Frances, Ont., and International Falls, Minn., and supplies the requirements of these two towns. It controls directly or through one of its nine major subsidiaries paper, pulp and saw mills at Kenora, Fort Frances and International Falls. Annual capacity of these mills is stated at 250,000 tons of newsprint, 34,000 tons of kraft liner-board, 300,000,000 ft. of insulating material and over 125,000,000 ft. of rough and finished lumber, box shooks and crating. Leases are held on extensive pulp wood limits in Ontario and hydro-electric power developments have a combined capacity of 65,000 h.p.

The last financial statement of Minnesota & Ontario Paper Co. was issued in April, 1932, by the Bondholders' Committee and for the ten months ended December 31, 1931, showed gross profit of $1,261,198, which was insufficient to meet selling, receivers, administrative and general expenses and the net result was an operating loss of $290,428. Other income of $517,736 left the company $227,309 to meet interest, depreciation and other special deductions. After provision for interest on funded debt accrued but not paid, depreciation and write-offs on inventory, the company ended the year with a net deficit of $4,566,096.

Minnesota & Ontario Paper Co. has 11 wholly owned subsidiaries including Ontario & Minnesota Power Co., Rainy River Improvement Co., International Lumber Co., Minnesota, Dakota & Western Railway Co., International Bridge & Terminal Co., Fort Frances Pulp & Paper Co., Kenora Paper Mills Ltd., Keewatin Power Co., Keewatin Lumber Co., Falls Lumber & Coal Co. and Seine River Improvement Co. Minnesota & Ontario also controls National Pole & Treating Co. through ownership of a majority of preferred and common stocks and has a substantial interest in the preferred stock of Great Lakes Paper Co.

The Bondholders' Protective Committee consists of F. K. Shrader, C. S. Garland, F. M. Gordon, H. T. Harmon, T. R. Harrison, R. P. Matthiessen, G. W. Pearson, H. D. Thrall and R. S. Waldie. National Trust Co., Toronto, act as co-depositary.

Capitalization—	Authorized	Outstanding
Common	$15,000,000	$9,392,000
Pref. 6% cum. .. Par $100.	5,000,000	3,756,000

Funded Debt—
1st mtge. S. F. bonds, 6 per cent series "A," due serially 1930 to 1945, outstanding $15,400,000; series "B," due 1946, $4,000,000; series "C," due 1950, $5,000,000. Interest due April 1, 1931, on all three series was not paid.
Six per cent gold notes, due Mar. 1, 1931, issued $3,500,000. In Feb., 1932, holders were advised that all creditors are required to file their claims on or before March 1, 1932.

Officers and Directors—
Officers—E. W. Backus, pres.; S. W. Backus, vice-pres.; C. C. Honey, sec.-treas.; R. D. Main, compt.
Directors—E. W. Backus, E. H. Backus, S. W. Backus, C. C. Honey, R. D. Main, Minneapolis, Minn.; D. McLeod, Kenora, Ont.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT*
For Ten Months Ended Dec. 31, 1931

	M.&O.P.Co. $	N.P.&T.Co. $
Net sales	7,697,703	1,402,838
Cost of sales	6,712,295	1,127,048
Gross profit	985,408	275,790
Sell., receiv., admin., & gen. exps.	1,354,141	197,485
Oper. profit	†368,733	78,305
Other income	492,256	25,513
Net profit	123,523	103,818
Less:		
Int. paid on fund. debt	......	98,781
On other loans	109,360	977
Interest due:		
On funded debt ...	1,441,170	......
On notes & accts...	436,327	......
Undist. mill burden..	208,287	......
Amort. of note disc...	......	20,759
Depreciation	543,034	79,967
W/o invent. & loss on purch. contracts ..	1,622,474	103,558
Fire loss	111,494	......
Miscellaneous	16,254	......
Net deficit for period	4,364,877	201,219

*Issued in May, 1932, by the receivers.
†Loss.

Retail Trade in Chatham

The City of Chatham transacted retail business to the value of $8,104,300 in the year 1930, according to the preliminary report of the Dominion Bureau of Statistics. Of this total, retail trade made up $7,596,300 and service establishments, $508,000.

We Specialise
PENMANS
SUCTION
PRESS
FELTS

PENMANS LIMITED, ST. HYACINTHE, P. Q.

QUEBEC

The Leading Province in Pulp and Paper Production

THE pulp and paper industry in Canada had its birth in the province of Quebec six score years ago and today the province is the leading producer of pulp and paper in the Dominion. The growth of the industry in the province has been due to the excellent combination of ample wood supplies, of abundant water power, capable of economical development, of contented, sturdy workmen and government policies that insure sound encouragement for development of water powers and sane exploitation of forest resources to guarantee the perpetuity of the industry.

In order to promote the establishment, within the province, of forest industries, with a view of giving a chance to the inhabitants of the province to benefit by the exploitation of the natural resources, the Government adopted, in 1910, a regulation which prohibited the exportation of timber cut on Crown lands, unless said timber has been converted into pulp, paper, boards, planks, or any other article of trade.

The Government did not deem it sufficient to pass laws or draft regulations. Fully aware of the importance to the province, from an economic standpoint, of the forest resources, the Government established a special forest service and a forest protection service, created special schools where the technical staff is trained, a paper school, a forest research bureau, a nursery and an hydroplane station.

The Forest Service has been in operation since 1909 and in 1924 a Forest Protection Service was established.

The personnel of the Forest Service is concerned with the supervision of the forest operations on the Crown forest lands, with forest reconnaissance and inventories, with land classification, with reforestation work, with researches on growth and regeneration of the different commercial tree species.

The forest school established in 1910 has been affiliated to Laval University of Quebec. Since 1919, it has been designated under the name Surveying and Forest Engineering School. Its well developed program is made up of all the natural, mathematical and forest sciences, etc., required for the training of forest engineers and land surveyors. The duration of the course is four years. To the theoretical lessons are added, every year, varied practical works within the forest.

On December, 1922, a law was passed (Chap. 32, Stat. 13 Geo. V.) providing for the establishment of a rangers' school, of a paper school and of a forest research bureau. The first one will complete the task of the forest school, by giving the proper training to the subordinate personnel necessary to the forest administration.

The second named school had become necessary in a country where the pulp and paper industry has achieved such remarkable progress as to become one of the essential industries to the economic general welfare. To maintain the importance of this industry and to enable it to advantageously compete with smaller industries established elsewhere, a well-trained and competent labor was necessary. The Paper School is for the purpose of training such labor. As far as the Forests Research Bureau is concerned, its task will consist in gathering, on the composition of the forests, on their yield, on their rate of growth, on their volume, all the information which might prove useful to the administration in selecting the best suited sylvicultural, forest management and exploitation methods.

A nursery was established in Berthierville, in 1908. From this date up to now, many millions of trees of all species which were therein raised have been shipped to different sections of this country, in order to serve the purposes of reforestation or ornamentation. There is presently in this nursery more than 100 million trees. By free distribution of trees to schools and municipalities, a sort of worship for the tree has been established and popularized.

With the object of conserving the forests the Government's forestry department ensures that lease holders preserve certain trees for regeneration purposes, maintains an organization for reducing fire loss to a minimum, and enforces rules with regard to burning brush, etc.

These regulations are so much a help to the operating companies as they are to the province, with the result that capital investment is in no way hindered.

For information write
HON. HONORE MERCIER
Minister of Lands and Forests, QUEBEC

SPRUCE FALLS POWER

Net Income Improved in Face of Declining Business

Spruce Falls Power and Paper Co., which is controlled by the Kimberley-Clark Co., achieved almost a unique record in the newsprint industry by showing a net income from operations in the year ending April, 1932, of $2,049,758 as compared with $1,661,021 in 1931 and $2,229,525 in 1930. The company added to surplus, paid dividends to first and second preferred shareholders, and even earned 66 cents a share on the common stock.

During the year the company retired $1,000,000 par value of maturing first mortgage bonds and increased its net working capital by more than $300,000 to $1,478,882.

The Kimberley-Clark Co. contracted to purchase the entire surplus output of sulphite and the New York Times purchases its standard newspaper requirements from the company. The Smoky Falls power plant supplies 75,000 horsepower to operate the plant and generate steam. The capital stock of the company is owned by the New York Times and the Kimberley-Clark Co.

The company's plant is at Kapuskasing, Ont., on the Canadian National Railways transcontinental line. About 135 tons of the 230 tons daily production of the sulphite pulp mills are used by the paper mills, the surplus of 95 tons goes yearly to the Kimberley-Clark Co. under its contract. The Smoky Falls power plant is 50 miles from the mill on the Matagami River.

The company has pulpwood rights on 5,257 square miles of timber limits, under long term leases granted by the Province of Ontario. Estimates of pulpwood on these limits are above 10,500,000 cords.

Bank loans on April 30, 1932, amounted to $1,082,692. Salaries were reduced in March, 1932, but no reductions in the rates of hourly workers were made.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	200,000 sh.	200,000 sh.
1st pref. cum. 7%	$9,500,000	$8,900,000
2nd pref. cum. 7% Par $100.	5,500,000	5,000,100

Kimberly-Clark Corp. holds $2,500,000 first preferred, $5,000,100 second preferred and 102,000 common shares, the balance being held by the New York Times Company.

Funded Debt—
1st mtge. serial bonds, 5½ per cent, due 1930-43, outstanding $13,000,000.

Dividend Record—
Regular preferred dividends are being paid.

Officers and Directors—
Officers—F. J. Sensenbrenner, pres.; J. C. Kimberly, vice-pres; E. S. Noble, gen. mgr.; G. Barber, treas.; E. Mahler, sec.
Directors—Representing Kimberly-Clark Corp.—F. J. Sensenbrenner, J. C. Kimberly, E. Mahler, Neenah, Wis.; G. Barber, Toronto. Representing the New York Times—A. S. Ochs, A. H. Sulzberger and J. O. Adler, all of New York City.

Times Bond Interest Earned— Yr. End. Apr. 30:	1932	1931	1930
After deprec. & depl.	2.64	1.95	2.58

Earnings per Share and Dividend Record—			
First pref.: Earned	$12.43	$8.47	$14.15
Paid	7.00	7.00	7.00
Second pref.: Earn.	9.67	2.61	12.74
Paid	7.00	7.00	7.00
Common: Earned .	0.67	nil	1.43
None paid.			

Five Years' Earnings—

Year	Earnings $	Dividends $	Operating Surplus $
1928	*140,434	......	*141,327
1929	1,175,453	471,445	6,681
1930	2,229,525	973,007	292,271
1931	1,661,021	973,007	72,866
1932	2,049,758	973,007	206,121

*Deficit due to the fact that the company's mill was not in full operation.

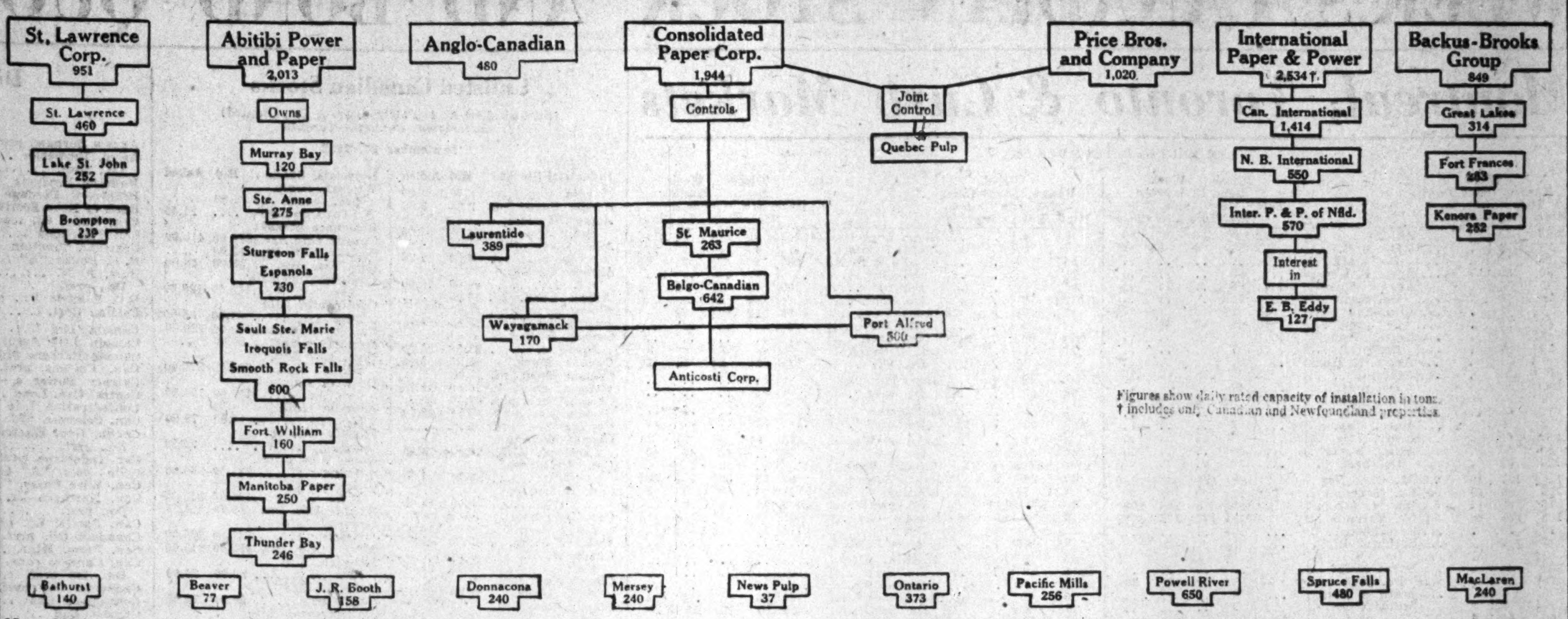
St. John's May Handle April Newsprint Shipment

St. John's, Newfoundland, may handle a shipment of 10,000 tons of newsprint if negotiations at present being conducted by the Anglo Newfoundland Development Co., as shippers, and the Railway Commission, are brought to a successful conclusion.

In previous years, paper shipments to England in April have been made through Heart's Content and this has necessitated the keeping open of the branch railway to that town during February, March and April, the quietest months of the year, for the sole reason of transferring this paper from the Grand Falls mills to the docks.

It is understood that the shippers are thoroughly satisfied with the docking and loading facilities at St. John's and it is planned to save the cost of operating the Heart's Content branch line during the three winter months.

Newsprint Industry Calls Halt to Further Machine Installations



Figures show daily rated capacity of installation in tons.
† includes only Canadian and Newfoundland properties.

No additional machines have been installed by the Canadian newsprint industry over the last eighteen months. The lag between supply and demand has increased rather than decreased, which has resulted in an increasing amount of idle machinery. It is estimated that only about two-thirds of the capacity is in use at present while for the greater part of the time the demand could be supplied with about one-half of the equipment. The latest reports indicate that Canadian mills have a capacity of about 12,450 tons daily. This is an official rating. Consideration should be given to the important point that a fair proportion of present installations are obsolete both from the point of view of age and operating efficiency. The present low price of newsprint has made it impossible to operate profitably some machines.

POWELL RIVER CO.

Depressed Conditions Are Reflected in Company's Operations

At the beginning of this year, Powell River Co., operating in British Columbia, reported the outlook for 1932 as fairly satisfactory, but developments since that time have not been overly encouraging.

At the beginning of 1931 the company's number seven machine was cut in, while the Lois River power development began to supply power for production in the Powell River plant at the same time.

Conditions Are Adverse

The depressed conditions in the newsprint and pulp markets throughout the world this year have reacted on all operators on the Pacific Coast, including Powell River Co. Though no details are available as to recent operations, it is to be expected that they are on a somewhat lower basis than was the case in 1931. At the same time the selling price of the company's products has been lower, all of which will be reflected in the 1931 income account.

During the past two or three years, Powell River Co. has expended large sums on capital account. In addition to enlarging its productive equipment, the company established a large hydroelectric development on Lois River to take care of the increased needs of the newsprint plant.

Wide Marketing Area

At present the company has a productive capacity of 500 tons of newsprint daily, which is mainly marketed along the Pacific Coast and in the western United States. Some business was also done with Australia, New Zealand, South America and Europe. Trade with the Antipodes has been a bit unsettled but recent agreements between Canada and Australia are expected to be beneficial.

Capitalization—	Authorized	Outstanding
Common	$4,500,000	$3,500,000
Preferred .... Par $100.	5,500,000	5,250,000

Stock is closely held.

Funded Debt—
Serial gold notes, 5 per cent, outstanding $500,000.

Officers and Directors—
Officers—D. F. Brooks, pres.; M. J. Scanlon, vice-pres.; S. D. Brooks, executive vice-pres.; A. E. McMaster, gen. mgr.; A. S. Brooks, treas.; P. A. Brooks, Sec.; R. Bell-Irving, asst. gen. mgr.; J. Falconer, mgr.; P. Sandwell, asst. mgr.; W. Barclay, sales mgr.; E. C. Lee, asst. to executive vice-pres.
Directors—D. F. Brooks, M. J. Scanlon, A. S. Brooks, S. D. Brooks, F. T. Griffith, A. E. McMaster.

ST. REGIS PAPER

Operations in Canada Still Confined to Cutting Pulpwood

Operations of the St. Regis Paper Co. of Canada, which is controlled by the St. Regis Paper Co., of New York, are confined to the production of pulpwood which is shipped by water to the parent company's New York State mill.

There is practically no Canadian investment interest in the St. Regis Paper Co., over 98 per cent of the outstanding capital stock being owned by the parent company.

St. Regis Paper Co. of Canada has for long had extensive plans for expansion in mind, but owing to the unsettled conditions in the pulp and paper industry no action has been taken. In view of present circumstances it is likely that these plans will be indefinitely delayed.

Capitalization—	Authorized	Outstanding
Common .... Par $5.	$500,000	$500,000

All owned by St. Regis Paper Co., New York. In 1931, par value of shares changed from no par to $5 par and holdings exchanged share for share.

Funded Debt—
Serial debentures 6½ per cent, dated Jan. 1, 1924; due $75,000 annually to June 1, 1933; $825,000, 1934; outstanding $975,000.

Officers and Directors—
Officers—H. E. Machold, pres.; C. E. Norris, vice-pres.; R. K. Ferguson, vice-pres. and sec.; C. B. Martin, treas.
Directors—F. L. Carlisle, R. K. Ferguson, C. E. Norris, H. E. Machold, C. B. Martin, R. B. Maltby, W. K. Dick, C. R. McMillen.

Sidney Roofing

No financial statement is issued by the Sidney Roofing and Paper Co., of Victoria, B.C., so that it is not possible to determine whether or not the company is operating on a profitable basis. The capital of this enterprise was privately subscribed.

Operations are centred in Victoria and Vancouver, the company having a daily plant capacity of 10 tons of groundwood pulp and 25 tons of boxwood, paperboard, felt, building and roofing paper.

Marketing is confined largely to the Pacific Coast, and on this account its products are not so well-known in Eastern Canada.

Capitalization—	Issued
Preferred 7%, par $100	$350,000
Common, par $10	10,000 shs.

Over $600,000,000 Capital

Capital invested in the Canadian pulp and paper industry at the end of 1931 totalled $630,176,540, distributed by areas as follows: Quebec, $309,875,059, Ontario $194,772,433, British Columbia, $52,256,905, and other provinces, $73,272,143.

HINDE & DAUCH

Expected to Earn Bond Interest and Depreciation This Year

Operating under a new management Hinde & Dauch Paper Co. of Canada is expected to change an operating deficit of $33,771 shown for 1931 into a profit in 1932 which will enable the company to earn bond interest and depreciation. While orders are understood to show an improvement in the current year operating costs have been substantially reduced. Gains have been made in spite of a 15 per cent reduction in price of products.

The company specializes in fibre shipping boxes, corrugated paper products and produces straw paper. Three plants are owned which are located at Toronto, and Trenton, Ont. and Montreal. Public investment interest is in the 5½ per cent first mortgage bonds of which there was $1,363,500 outstanding at December 31, 1931, of an original issue of $1,500,000. Retirement of the bonds through the sinking fund is understood to be ahead of the requirements of the trust deed. The company is controlled by Hinde & Dauch Paper Co., of Ohio, through ownership of a majority of the common stock.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	300,000 sh.	299,983 sh.

Funded Debt—
1st mtge. S. F. bonds, series "A," 5½%, due 1948, outstanding $1,363,500.

Dividend Record—
Common—None at present. Formerly $1 per share per annum. Initial quarterly dividend of 25c. per share paid July 2, 1928, and regularly thereafter up to and including Jan. 2, 1930. The dividend due April 2, 1930, was passed and no dividends have been paid since.

Officers and Directors—
Officers—S. Frohman, pres.; R. King, vice-pres.; L. F. Winchell, gen. mgr.; J. H. MacLeod, sec.; T. E. Lloyd, treas.
Directors—S. Frohman, J. H. MacLeod, Sandusky, Ohio; R. King, L. F. Winchell, T. E. Lloyd, R. L. Warren, Toronto, Ont.; M. H. Murch, Cleveland, Ohio.

Times Bond Interest Earned:	1931	1930	1929
Before deprec.	...	2.79	5.57
After deprec.	...	1.23	3.83

Earnings per Share and Dividend Record:			
Common: Earned ..	...	$0.02½	$0.64
Paid	...	....	1.00

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common ...	2½	1	4	1	17	4⅞

* To September 26.

CORRUGATED BOX

May Show Improvement Over 1931 — Future Depends on Volume

Reduction in operating expenses and some improvement in prices are expected to enable Corrugated Paper Box Co. to show some improvement in earnings in the current year although sales have not improved and there has been no gain in tonnage. As in the case of other container manufacturers the company is dependent upon a general upswing in business before dividends can be resumed.

The company manufactures corrugated and solid fibre shipping containers at its plants at Leaside, Ont., and Winnipeg, Man., and has a nation-wide distribution for its products. In 1931 and 1930 the company reduced inventories and bank loans substantially and having no funded debt fixed charges are at a minimum. In 1931 a loss of $71,297 was reported after provision for depreciation reserve of $45,482. Indications are that the company may be able to earn most of its depreciation charges in the current year and will be able to maintain its financial position.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	100,000 sh.	*47,000 sh.
Pref. cum. red. .. Par $100.	$1,500,000	$830,500

*Including 1,245 shares unpaid.

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum, payable quarterly, Mar, June, Sept and Dec. 1. Initial dividend of 1¾% paid Sept., 1928, and regularly up to and including June 1, 1930; none since.

Officers and Directors—
Officers—J. S. A. Whealy, pres.; J. A. Gairdner, vice-pres.; J. A. Whealy, vice-pres. and sales mgr.; A. T. Whealy, sec.-treas. and gen. mgr.; H. Hilton, Winnipeg, mgr.
Directors—J. S. A. Whealy, J. A. Gairdner, J. A. Whealy, A. T. Whealy, Senator J. H. Spence, O. A. Doherty, Toronto; H. Hilton, Winnipeg.

Earnings per Share and Dividend Record:	1931	1930	1929
Preference: Earned†	....	$7.23	$13.84
Paid	....	3.50	7.00
Common: Earned† ..	....	*0.04	1.03
None paid.			

*After deducting full year's preference dividends.
†Before income tax.

Four Years' Earnings—

Year	Earnings	Dividends	Surplus
1928*	$174,256	$21,787	$125,961
1929	159,596	55,055	162,638
1930	131,191	29,067	196,445
1931	†25,815	......	107,034

*For nine months.
†Loss.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Preferred .	..	..	..	..	90	90

* To September 26.

CAN. PAPERBOARD

Receivership Still in Effect—Revenue of Limited Proportions

Under receivership since March, 1930, Canadian Paperboard Co. has paperboard mills at Toronto and Montreal in operation as well as a pulp mill at Frankford while the Campbellford mill is closed. Liquid position of the company has been improved and earnings are sufficient to cover costs of operation although it has been impossible under present conditions to earn interest charges on the 7 per cent first mortgage bonds of which there is $1,260,000 outstanding.

The company manufactures paperboard and container board, board for special products such as egg case fillers and plaster board and produces various varieties of chip-board, news-board, vat-lined board, straw board, wood pulp board, white patent-coated board and other specialties. Its products are sold to a large number of industries and with improvement in consumer demand and resultant increase in demand for containers sales should reflect improved industrial conditions when these materialize.

The four plants owned by the company have a daily capacity of 220 tons of paperboard of which the Toronto plant provides 100 tons. The company owns the common stock of Quinte & Trent Valley Power Co. which supplies power to the plants and Frankford and Campbellford, Ont. This subsidiary is also in default on its bond interest but bondholders have agreed to waive payment of interest until July 1, 1934.

Capitalization—	Authorized	Outstanding
Common	$4,000,000	*$2,100,500
Preferred Par $100.	1,000,000	402,500

* 80 per cent owned by Northern Paperboard Co.

Funded Debt—
1st Mtge. S. F. bonds, 7 per cent, due 1937, outstanding $1,260,000. Interest defaulted Apr. 1, 1930.

Dividend Record—
Preferred—7 per cent per annum, payable Jan., Apr., July and Oct. 1; paid July 1, 1926, to end of 1929. None since. Common: none since 1928.

Officers and Directors—
J. G. G. Kerry, pres.; J. R. Walker, vice-pres., Toronto; D. F. Robertson, gen. mgr.; C. E. Whitten, sec.-treas.; J. Kerry, S. Johnston, Montreal.

Cotton Plant Locates in Guelph

A new industry is on the way to Guelph, one with an annual payroll of $100,000, according to Mayor O. G. Lye. The firm in question is the Aberfoyle Manufacturing Co. Ltd., a subsidiary of the Chester, Pa., firm of the same name. The company will manufacture mercerized cotton yarns and will employ about 125 hands at the start.

ONTARIO PAPER

Plans for Outardes Project Are Going Ahead Slowly

Little is known of the operations of the Ontario Paper Co., which is controlled by Chicago Tribune interests, inasmuch as its entire output is marketed through one or two outlets.

The plant operated by this company is one of the largest privately-owned pulp and paper units operating in Canada. It has a maximum output of about 97,000 tons of newsprint and 3,000 tons of wrapper per annum. It is likely that actual production is somewhat below this figure in view of the lessened demand for newsprint.

Quebec Scheme Initiated

Several months ago the company started a development programme on the Outardes River in Quebec province, where a power plant of 40,000 h.p. capacity has been established. It is proposed to use this power for a new mill at English Bay, about 25 miles from the power plant site. Here, when conditions allow the completion of the development, it is proposed to erect a modern plant capable of turning out 300 tons of sulphite and groundwood pulp per day. This output will be shipped by the company's own boats to Thorold, Ont., for further processing into newsprint.

Capitalization—	Authorized	Issued
1st preferred	$3,500,000	$2,500,000
2nd Preferred ...	2,000,000	1,905,700
Common	1,000,000	1,000,000

Officers and Directors—
Officers—R. R. McCormick, pres.; J. M. Patterson, 1st vice-pres.; A. A. Schmon, 2nd vice-pres.; E. M. Antrim, sec.; R. R. McCormick, treas.; D. M. Deininger, aud. and comptroller.
Directors—R. R. McCormick, K. M. McCormick, J. M. Patterson, Eleanor Patterson, A. Cowles, D. Lloyd, E. S. Beck, W. E. McFarlane, D. M. Deininger, A. A. Schmon, H. D. Lloyd.

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Carbon and alloy steel castings for log haulage, tractors and sleighs.
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Upper photo shows various types of pulverizer part castings.

Lower photo shows rolled manganese steel liners.

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WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

WESTERN GRAIN CO. EARNINGS LOWER, COVERS INTEREST

Improved Handling Expected Despite Partial Failures in Some Districts

Net earnings of Western Grain Co., Ltd., for the year ended July 31, 1932, amounted to $265,137, which was used to pay bond interest of $201,236 and write depreciation of $63,901 off country and terminal properties. This compares with net earnings of $340,241 in the preceding year, from which $177,830 was paid for bond interest and $97,500 for preferred dividends, no write-off for depreciation occurring in that year. The balance carried forward into the current year, $263,372, is the same as that carried forward into last year.

CONS. INCOME AND SURPLUS ACCT.
Years Ended July 31

	1932 $	1931 $
Net earnings*	265,137	340,241
Less: Bond interest	201,236	177,830
Depreciation	63,901	....
Net profit	....	162,411
Less appropriations: Preferred dividends	....	97,500
Surplus for year	....	64,911
Add: Previous surplus	263,372	†199,538
Less: Inc. tax, 1929	....	**1,077
Bal. carried fwd.	263,372	263,372

*After operating expenses and bad debts. **Represents additional assessment paid in 1931 fiscal year. †Adjusted.

Great Economies Made

A larger amount was paid for bond interest because of the United States exchange premium paid. C. G. Spencer, president, states that the volume of business handled was extremely small, owing to the extremely light crop last season and the total failure at a large number of the company's points in Southern Saskatchewan. The good results obtained were largely due to extraordinary economies made in operating costs.

More Handling This Year

"In general," Mr. Spencer says to the shareholders in the fourth annual report, "a good crop is now being harvested in all three provinces, but unfortunately there is a partial failure in a large part of the south-central area of Saskatchewan where a number of the company's elevators are located. However, your company is looking forward to a much improved handling compared with that of last season."

Though working capital shows a moderate increase, comparisons show considerable changes in some individual items. A comparison of the last two years is as follows:

Working Capital

	1932 $	1931 $
Current assets	2,073,620	1,515,085
Current liabs.	1,605,969	1,084,593
Working capital	467,651	430,492
Ratio	1.29—1	1.40—1

Grain Inventories

In the current assets the chief change is an increase in the grain inventories from $1,200,863 to $1,872,320. Cash in accounts receivable showed little change, but advances for freight and accrued storage dropped from $259,424 to $144,242.

The large increase in current liabilities is mainly due to the advance in bank loans and overdrafts from $679,000 to $1,360,000. Accounts payable dropped from $357,174 to $187,909, while cash tickets and orders outstanding advanced from $48,419 to $58,061.

Funded debt was reduced during the year from $2,938,000 to $2,859,500 and the bonds redemption reserve advanced from $12,400 to $40,910.

Decrease in net fixed assets to $5,101,886 was really the result of an increase in the depreciation reserve from $168,870 to $221,345.

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Sault Ste. Marie, Ont. Iroquois Falls, Ont. Smooth Rock Falls, Ont. Fort William, Ont.
Pine Falls, Manitoba
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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING SEPTEMBER 26

Range 1932 High	Range 1932 Low	Divd. Rate in $	Yield in % Sept. 24		Sales	Close Sept. 19 (or last)	Week Ending —Sept. 26— High	Low	Close
3.25	.60	.	...	Abitibi	1159	1.25	1.50	1.00	1.00
10	2	.	...	Do. pref.	385	4	4	3½	3½
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	70	7	...	Do. pref.	....	70	..	..	..
7½	3½	.	...	Alta. Pac. Gr.	45	7½	7½	7½	7½
45	19	.	...	Do. pref.	10	45	40	40	40
3¼	1½	.	...	Amal. Electric	....	1½	..	..	..
11	7	.	...	Do. pref.	....	7	..	..	..
x3½	2½	.	...	Anglo. N. Hold.	....	..	..	..	..
.37	.15	.	...	Asbestos	25	.15	.15	.15	.15
1.00	.60	.	...	Do. pref.	....	.60	..	..	..
7	4	60c	9	Assoc. Brew.	177	6½	6⅝	6½	6½
71	65	7	9.8	Do. pref.	....	71	..	..	..
3	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
30	16	.	...	Atlan. Sugar	....	20½	..	..	..
120	92	.	...	Do. pref.	....	120	..	..	..
159½	127	10	7.9	Bk. Can. Nat.	27	128½	128½	128½	128½
225	150	10	5	Bk. Montreal	248	199½	200	198	199
275	238	14	5.2	Bk. N. Scotia	25	263½	270	266	270
193	125	10	5.6	Bk. Toronto	3	177½	177½	176	177½
10½	10½	.	...	Barcelona	....	10½	..	..	..
3	1	.	...	Bathurst Pr.	....	1½	..	..	..
1½	½	.	...	Do. (B)	....	1¼	..	..	..
x26	26	.	...	Bawlf Grain	25	1¼	1½	1½	1½
20	18	.	...	Do. pref.	5	18	20	20	20
5	3	.	...	Beath & Sons	....	3	..	..	..
10½	3½	.	...	Beatty Bros. A	....	9	..	..	..
60	41	6	10.5	Do. pref.	....	57	..	..	..
3.50	.40	.	...	Beauharnois	9216	1.75	1.75	1.50	1.62
x93	55	7	...	Belding Cort.	....	..	..	..	..
90	65	7	7.8	Do. pref.	....	90	..	..	..
120	75	7	6.8	Bell Telephone	289	102½	104	102	103
4	2	.	...	Biltmore Hats	....	4	..	..	..
50	50	7	...	Do. pref.	....	50	..	..	..
4	1½	.	...	Bissell, T. E.	....	1½	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Blue Ribbon	....	3	..	..	..
25	9	2	10	Do. pref.	....	20	..	..	..
20	17	2	11.8	Brant. Cd. pf.	4	18	17	17	17
14½	7⅞	25c+2%§	...	Brazilian Tr.	19353	11¼	12⅛	11	11
.75	.40	.	...	Brew. & Distil.	....	.75	..	..	..
1	¼	.	...	Brewing Corp.	130	¼	1	1	1
3½	1	.	...	Do. pref.	20	2¼	3	3	3
11⅛	8½	80c	7.8	Brit. Amer. Oil	2490	10	10½	10	10¼
3.50	.60	.	...	B.C. Packers	395	3.50	2.00	1.75	1.75
8½	4	.	...	Do. pref.	10	8½	6	6	6
28	15	2	8.1	B.C. Power A	843	23⅞	25	23½	24
7½	3¾	.	...	Do. (B)	40	5½	6½	6	6½
6½	2	.	...	Bruck S. Mills	155	5	4½	4½	4½
20½	10	1	6.9	Building Prod.	25	16	14½	14½	14½
32	17	2.40	8.4	Burt, F. N.	5	28½	29	29	29
125	120	6	5	Calgary Pr.	....	120	..	..	..
4	1½	.	...	Canada Bread	225	3	3½	3	3½
85	80	7	8.2	Do. pref. A	....	85	..	..	..
25	20	2	8	Do. pref. B	....	25	..	..	..
9	6½	1	12.5	Canada Bud	65	7⅞	8	7½	8
7	2	.	...	Canada Cement	396	4¾	5	4½	4¾
66	20	.	...	Do. pref.	162	33	32	28	30¾
b15	6	1.20	9.2	Canada Dry	3500	12	13¾	11⅞	12⅞
6	2	.	...	Can. Forg. (A)	....	2	..	..	..
7½	2	.	...	Do. (B)	....	7½	..	..	..
x68	60	.	...	Canada Iron	....	..	..	..	..
x80	75	3	...	Do. pref.	....	..	..	..	..
15½	8½	1.50	10.7	Can. Malting	150	14	14	13½	14
15	9	80c	5.7	Can. Nor. Pr.	10	14	14	14	14
92	52½	7	9.3	Do. pref.	16	75	75	73	75
x6	⅜	.	...	Can. Paving	....	..	..	..	..
x51	10⅝	.	...	Do. pref.	....	..	..	..	..
186	135	12	7.4	Can. Perman.	1	162	162½	162½	162½
1.00	.50	.	...	Can. Pr. & Pa.	....	.55	..	..	..
3½	¾	.	...	Can. Steamsh's	205	3¼	3¼	3	3
11⅛	1	.	...	Do. pref.	660	10½	10½	9½	9½
17	9⅞	1.60	10.3	Can. Vinegars	10	16	15½	15½	15½
55	28½	.	...	Can. W. Cable	....	32	..	..	..
18	4	.	...	Do. (B)	85	13	13	12¾	13
1½	1½	.	...	Can. Bakeries	....	1½	..	..	..
14	10	.	...	Do. pref.	....	10	..	..	..
191	123	10	5.9	Can. Bk. Com.	121	166	170	167	167
18	9	1.25	7.3	Can. Bronze	250	16	17¼	16	17
102	70	7	7.7	Do. pref.	5	90	90½	90½	90½
6⅜	1½	.	...	Can. Canners	275	4½	4⅝	4	4
80	40	6	10	Do. 1st pfd.	90	64	60	60	60
9	3⅝	40c	6.4	Do. 2nd pfd.	2445	6	6¼	6	6
8½	2¾	60c	10	Can. Car & F'y	680	6¾	7	6	6
19½	10	1.75	10.3	Do. pref.	310	17¼	17¼	17	17½
8½	3¾	.	...	Can. Celanese	215	8	8¼	8	8¼
70	42	7	10	Do. pref.	260	65	70	65	70
20	20	2	10	Can. Convert.	....	20	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	50	6	12	Do. pref.	....	50	..	..	..
17	7	.	...	Can. Dredge	1025	13½	14½	11	13¾
x92	92	7	...	Do. pref.	....	..	..	..	..
68	60	6	9.4	Can. Fairb. pf.	....	64	..	..	..
4	3	.	...	Can. For. Inv.	....	3	..	..	..
65	55	.	...	Do. pref.	....	55	..	..	..
180	115	4	3.5	Can. Gen. Elec.	....	115	..	..	..
59	50	3.50	6.4	Do. pref.	10	55	55	55	55
3½	3¾	.	...	Can. G. Inv. T.	....	3¾	..	..	..
66	29	6	10.2	Can. Hyd. E. p.	51	56	60	57	59
3	½	.	...	Can. Ind. Alc.	750	2⅝	2¾	2	2¼
2.00	.30	.	...	Do. (B)	....	2.00	..	..	..
x5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
x70	64½	.	...	Do. pref.	....	..	..	..	..
20	18	1	5.5	Can. Lt. & Pr.	....	18	..	..	..
1½	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	..	..	..	..
b2½	½	.	...	Can. Marconi	16800	1⅜	2¼	1⅜	1⅜
13	7	1	8.9	Canadian Oil	168	11	11½	11	11¼
100	84	8	8	Do. pref.	10	100	100	100	100
22⅞	8½	.	...	Can. Pacific	35550	17½	20¼	17⅜	18½
3	1½	.	...	Can. Vickers	....	3	..	..	..
20½	20½	.	...	Do. pref.	....	20½	..	..	..
3½	1	.	...	Can. Wineries	160	3	2¾	2½	2¾
7½	4¾	1	16.7	Can. Wire Box	15	6½	6	6	6
12	7	.	...	Catelli Mac A.	5	7	8	8	8
x5	5	.	...	Do. (B)	....	..	..	..	..
x301	200	10	...	Cent. Can. L'n	....	..	..	..	..
2.05	.50	.	...	Chem. Research	1650	1.00	1.10	1.00	1.00
8½	3	.	...	Cockshutt Plow	240	6½	7½	6	7
2	½	.	...	Comm. Alcohol	....	1½	..	..	..
3¾	1	.	...	Conduits	....	1½	..	..	..
x94	84	.	...	Do. pref.	....	..	..	..	..
8	3¾	.	...	Cons. Bakeries	690	5	5	3¾	4
5	1	.	...	Cons. Industries	....	4	..	..	..
4	4	.	...	Cons. Paper	....	4	..	..	..
15	5	.	...	Cons. Press	5	6	7	7	7
35	30	2	5.7	Cons. Sand. pf.	....	35	..	..	..
103	25	.	...	Cons. Smelters	5655	78	89	76½	83½
170	142	10	5.9	Consumers Gas	14	168	170	169	170
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
‡90	90	.	...	Corr. P. Box, p	....	..	..	..	..
8½	2¼	.	...	Cosgrave Brew.	....	3½	..	..	..
5½	2	.	...	Cosmos Imp.	....	5¼	..	..	..
68	40	3.50	7.6	Do. pref.	....	46	..	..	..
3	2	.	...	Crown Dom. Oil	70	2½	2½	2	2
20	8	4	...	Crow's N. Coal	215	15	15	15	15
1¼	1½	.	...	David & Fre. B	....	1½	..	..	..
x12½	12½	.	...	De Havilland	....	..	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x9	5	.	...	Disher Steel	....	..	..	..	..
x10	10	1.50	..	Do. pref.	....	..	..	..	..
7⅝	3⅜	.	...	Distill-Seagram	360	5½	6⅛	5⅜	6
7	7	.	...	Dodge "A" pf.	....	7	..	..	..
2	1¾	.	...	Do. (B)	....	2	..	..	..
194	125	10	5.9	Dom. Bank	39	165	168	167	168
27	9	2	10.2	Dom. Bridge	951	18	19½	18½	18¼
x40	40	.	...	Dom. Coal	....	..	..	..	..
22½	12	.	...	Dom. Engineer.	....	16	..	..	..
78	30	5	6.4	Dom. Glass	10	78	78	78	78
112	85	7	6.4	Do. pref.	5	102	110	110	110
5½	1½	20c	8	Dom. Motors	155	2½	2½	2	2½
7⅞	3½	.	...	Dom. Pr. Stubs	....	6	..	..	..
3	1	.	...	Dom. St. & C B	670	2	1⅜	1¼	1½
20½	18	1.20†	6.5	Dom. Stores	815	17	18½	16¼	18
5	2	.	...	Dom. Tar & Ch.	....	3	..	..	..
30	30	.	...	Do. pref.	125	..	30	30	30
93½	39	5	8.5	Dom. Textile	196	57	59	55	57½
105	70	7	7.1	Do. pref.	....	99	..	..	..
12	10	.	...	Donnacona	....	..	..	..	..
3	½	.	...	Dryden Paper	1175	2	2	1½	2
4	2	.	...	Duff. Paving	....	2	..	..	..
49	26	.	...	Do. pref.	....	26	..	..	..
20	3	.	...	East. Koot. Pr.	....	3	..	..	..
97	94½	.	...	Do. pref.	....	..	..	..	..
16	6½	.	...	East. Dairies	150	9	9	6½	6½
9½	9½	1	...	East. Steel	....	9½	..	..	..
100	97	7	...	Do. pref.	....	..	..	..	..
34	28½	2	...	East. Theatres	....	..	..	..	..
85	80	7	...	Do. pref.	....	..	..	..	..
1	1	.	...	Easy Washer	20	..	1	1	1
9	4½	75c	9.7	Economic Inv.	10	7½	7⅞	7⅞	7⅞
x15	15	.	...	Edmonton D'y	....	..	..	..	..
x80	78¾	6.50	..	Do. pref.	....	..	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	6	.	...	Eng. Electric	....	8	..	..	..
2½	1½	.	...	Do. (B)	....	2	..	..	..
8	6	.	...	Fam. Players	....	7	..	..	..
10	7½	.	...	Do. Vot. Tr.	....	10	..	..	..
10	7	.	...	Fanny Farmer	44	9	7	7	7
29	25	2.40	9.6	Do. pref.	....	25	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
16⅞	5¾	.	...	Ford Motors A	3260	9¼	11	8½	10
8⅞	1⅞	.	...	For. Pr. Secs.	....	2½	..	..	..
9	4	.	...	Foundation Co.	....	5	..	..	..
1.25	.25	.	...	Fraser Cos.	145	.50	.50	.40	.40
50	50	.	...	Front. Brew.	....	50	..	..	..
50	50	.	...	Do. pref.	....	50	..	..	..
x8	5	.	...	Frost Steel	....	..	..	..	..
37	37	.	...	Do. pref.	10	..	37	37	37
2½	½	.	...	Gen. St. Wares	410	1¾	2	1¾	1¾
84	38	5	6.5	Goodyear Tire	40	75	80	73	73
93½	70	7	7.6	Do. pref.	31	92	93½	92	93½
x93½	93½	.	...	Gould Pumps p	....	..	..	..	..
1⅛	⅜	.	...	G. W. Saddlery	....	1⅜	..	..	..
7	5	.	...	Do. pref.	....	5	..	..	..
21	8	1	9.5	Gurd, Chas.	125	10	11	10	10½
106	100	7	7	Do. pref.	....	100	..	..	..
5	2	.	...	Gypsum, Lime	252	3¾	4	3½	3½
7	2	.	...	Ham. Bridge	100	5	5¾	5	5
60	44½	.	...	Do. pref.	....	45	..	..	..
10	6	.	...	Ham. Cot., pf.	....	6	..	..	..
2½	1½	.	...	Ham. U. Theat.	....	2½	..	..	..
53	48	7	14	Do. pref.	....	50	..	..	..
4	2	.	...	Hayes Wheel	....	2	..	..	..
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
2½	1	.	...	Hinde & Dauch	40	2	2	1½	1½
x75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3¾	½	.	...	Honey Dew	....	2½	..	..	..
40	10	.	...	Do. pref.	....	10	..	..	..
4	2	.	...	H. Smith Pap.	750	3	3	2½	3
27	16	.	...	Do. pref.	....	..	..	..	..
21½	15	2	11.1	Humberstone S	10	18	21	21	21
17½	6¼	1	12.5	Hunt (A)	10	15½	18	18	18
x23½	18½	1	...	Do. (B)	....	8	..	..	..
108	93	8	7.6	Huron & E Mt	3	108	105	105	105
17	17	.	...	Do. 20% pd.	....	17	..	..	..
11½	4¾	.	...	Hydro Electric	....	6	..	..	..
193	130	10	6.1	Imperial Bank	7	160	167	165	167
11⅛	7¾	50c	4.9	Imperial Oil	7010	9¾	10½	9¼	10
9⅞	6	35c°	4.2	Imperial Tob.	1926	8¼	8¾	8	8½
x80	80	8	...	Inter. Coal, p.	....	..	..	..	..
6	6	.	...	Int. Hyd. E. A.	....	6	..	..	..
97	88½	7	7.6	Inter. Mill. pf.	....	92	..	..	..
80	77	6	7.5	Do. Series A.	....	80	..	..	..

Range 1932 High	Range 1932 Low	Divd. Rate in $	Yield in % Sept. 24		Sales	Close Sept. 19 (or last)	Week Ending —Sept. 26— High	Low	Close
13½	4	.	...	Inter. Nickel	45261	9½	11⅞	9½	10½
4	4	.	...	Inter. Paints	....	4	..	..	..
b4⅞	½	.	...	Int. Pa & Pr A	200	2	2⅛	2⅛	2⅛
b2	½	.	...	Do. (B)	....	2	..	..	..
b1⅛	¼	.	...	Do. (C)	200	1½	⅞	⅞	⅞
b12⅞	2	.	...	Do. pref.	....	12⅝	..	..	..
13½	9¼	1	8.3	Inter. Pete.	1855	11¾	12½	11⅛	11⅝
x8	5	.	...	Inter. Power	....	..	..	..	..
x78	56½	.	...	Do. pref.	....	..	..	..	..
11	2	.	...	Int. Util. (A)	90	8	8	8	8
4	½	.	...	Do. (B)	125	3½	2¾	2½	2¾
x40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
86	85	7	8.2	Do. pref.	....	85	..	..	..
4	2½	.	...	Kelvinator	....	3	..	..	..
90	55	7	12.7	Do. pref.	....	55	..	..	..
9⅞	4	.	...	Lake of Woods	175	8¾	8½	7½	7½
40	40	.	...	Do. pref.	30	..	40	40	40
x140	140	8	...	Landed Bank.	....	..	..	..	..
40	28	3	7.9	Laura Secord	95	38	39½	37½	39½
8	1½	.	...	Lindsay, C. W.	10	4	3	3	3
60	36	6.50	18	Do. pref.	....	36	..	..	..
12	9	80c	6.8	Loblaw (A)	330	11½	11⅞	11¼	11¼
11½	8	80c	7.2	Do. (B)	171	11	11½	11½	11½
‡2⅞	2⅞	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel.	....	..	..	..	..
x95	90	7	...	Do. pref.	....	..	..	..	..
7	6½	.	...	Manitoba Pr.	....	7	..	..	..
5	2	.	...	Maple Leaf	50	4	4	4	4
20½	8	.	...	Do. pref.	65	16	16	15	16
x38	30	.	...	Marcus Loew's	....	..	..	..	..
60	30	.	...	Do. pref.	....	30	..	..	..
5⅞	2½	.	...	Massey-Harris	845	4⅝	5	4⅝	4½
11⅝	7	60c	6	McColl Fron.	942	10	11	9	9½
68	58	6	8.8	Do. pref.	....	68	..	..	..
x45	35	.	...	Mexican L & P	....	..	..	..	..
‡25	25	.	...	Mercury Mills.	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
105	105	7	6.7	Do. pref.	....	105	..	..	..
8⅞	3	.	...	Mitchell, Robt.	....	7	..	..	..
x1	1	.	...	Monarch Knit.	....	..	..	..	..
30	20	.	...	Do. pref.	5	20	20	20	20
75	45	6	13	Montreal Cot.	....	46	..	..	..
75	65	7	10	Do. pref.	....	70	..	..	..
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
11	6½	.	...	Mont. Is. Pr.	6	11	6½	6⅝	6⅝
39½	20½	1.50	4	Mont. I. & Pr.	6705	36	37⅞	35½	36½
48	48	3+25c	6.8	Montreal Loan	....	48	..	..	..
47	40	3.20	8	Montreal Tele.	33	40	40	40	40
150	90	10	8.7	Mont. Trams.	12	110	115	110	115
11	4½	.	...	Moore Corp.	145	8½	9	8½	9
93	62	7	9.3	Do. (A)	....	75	..	..	..
97	69	7	8.2	Do. (B)	....	85	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
2	⅞	10c	..	Muirheads	....	1	..	..	..
9	8	75c	8.3	Do. pref.	....	9	..	..	..
24	9½	1.60	8.6	Nat. Brew.	1720	17¼	18¼	17¼	18
28	25	1.75	6.3	Do. pref.	5	27⅞	27½	27½	27½
½	½	.	...	Nat. Brick	17	..	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
13¼	6	80c	7.3	Nat. Steel Car	540	10¼	11¾	10	10½
255	175	12	6.8	National Tr.	....	175	..	..	..
10	10	.	...	Niag. W. Weav.	....	10	..	..	..
20	20	.	...	Do. pref.	10	..	20	20	20
2.50	1.50	.	...	North Star Oil	400	1.75	2.00	1.75	2.00
4.00	4.00	35c	8.7	Do. pref.	....	4.00	..	..	..
‡25	25	.	...	N.S. Steel, pf.	....	..	..	..	..
150	90	8	6.4	Ogilvie Flour	12	140	135	125	135
112	96	7	6.5	Do. pref.	....	108	..	..	..
9	4	.	...	Ont. Eq. 10% p	54	6	5½	4½	5½
102	94½	6	6.1	Ontario Loan	....	99	..	..	..
x7	5	.	...	Ont. Silknit	....	..	..	..	..
x16	13	.	...	Ont. Steel	....	..	..	..	..
‡105	105	7	...	Do. pref.	....	..	..	..	..
½	½	.	...	Orange Crush	....	½	..	..	..
45	18	.	...	Do. (A)	....	18	..	..	..
½	½	.	...	Do. (B)	....	½	..	..	..
100	87	6	6.5	Ott. L. H. & P.	....	90	..	..	..
100	90	6.50	7.1	Do. pref.	20	90	91	90	91
x25	25	.	...	Ott. Traction	....	..	..	..	..
68½	35	3	5.3	Page Hersey	300	56	57½	54½	56
b11½	1½	.	...	Paramount	102800	3⅞	5⅛	3⅞	4⅞
x35	30	.	...	Paton Mfg.	....	..	..	..	..
x94	92	7	...	Do. pref.	....	..	..	..	..
.37	.25	.	...	Pelissiers	....	.37	..	..	..
x30	25	.	...	Do. pref.	....	..	..	..	..
33½	18	3	8.9	Penmans	....	33½	..	..	..
80	65	6	9.2	Do. pref.	....	65	..	..	..
19½	9	.	...	Photo Eng.	50	10	10½	10½	10½
x40	10	.	...	Port Alfred, pf	....	..	..	..	..
x70	64	7	...	Porto Rico Pr. p	....	..	..	..	..
b17½	1½	.	...	Postal Tele. p	....	..	..	..	..
36½	6	.	...	Power Corp.	1993	12	14⅝	11½	13½
90	25	6	9.9	Do. pref.	70	60	60¼	60¼	60¼
2	2	.	...	Prairie C. Oil.	....	2	..	..	..
11	5	.	...	Pressed Metals	135	10	10	9½	10
5	5	.	...	Price Bros.	25	..	5	5	5
x99	70	.	...	Do. pref.	....	..	..	..	..
29	9½	1.50	8.9	Quebec Power	520	15½	16⅞	15	16⅞
105	105	7	6.7	Real Estate Ln	2	..	105	105	105
2	¾	.	...	Regent Knit.	90	¾	¾	¾	¾
10	5⅞	.	...	Reliance Grain	....	9⅞	..	..	..
12	6½	1	9.5	River. S. Mills	....	10½	..	..	..
12	7	1	13.3	Robinson Cone	....	7½	..	..	..
4	1⅛	.	...	Rogers Majes.	25	3½	3½	3½	3½
171	120	10	5.9	Royal Bank	166	166	168	165	168
x84	[illegible]	.	...	Ruddy, E. L. p	....	..	..	..	..
33	[illegible]	1	3.1	Russell Motor	....	32½	..	..	..
70	35	7	14.6	Do. pref.	....	48	..	..	..
4	3	.	...	Sarnia Br. (A)	....	3	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
7	3	.	...	Serv. Sta.	125	5½	5	4½	4½
46	20	.	...	Do. pref.	10	25	25	25	25
33	7½	1	5.3	Shawinigan	6783	17	20	16¾	17¾
20	7	.	...	Sher. Wms.	....	11½	..	..	..
80	68½	7	10.2	Do. pref.	....	68½	..	..	..
17	5	.	...	Simon & Son.	15	5	5⅛	5⅛	5⅛
80	60	7	11.7	Do. pref.	....	60	..	..	..
55½	12	.	...	Simpson, Ltd.	5	25	25	25	25
x44½	36	.	...	Do. (A)	....	..	..	..	..
9	9	.	...	Do. (B)	....	9	..	..	..
82	62	6	7.3	Simpson, R., p.	....	82	..	..	..
25	10	1	5.3	So. Can. Pr.	245	17	20	17¼	20
90	60	6	7.5	Do. pref.	10	80	80	80	80
1.00	.45	.	...	St. Law. Corp.	145	.75	.60	.60	.60
4	1½	.	...	Do. (A)	60	2½	2½	2½	2½
25	9	.	...	St. Law. Flour	34	9	25	25	25
99½	70	7	7	Do. pref.	....	99½	..	..	..
11	1⅛	.	...	St. Law. Pa. p	....	8	..	..	..
3	1½	.	...	St. Pav. & Mat.	20	2	3	3	3
46	25	2	6.8	Do. pref.	....	29½	..	..	..
6	4	50c	..	Stand. Chem.	75	6	6	6	6
5⅛	1½	.	...	Stand. Steel	45	4½	4⅞	4⅞	4⅞
x35	30	3	...	Do. pref.	....	..	..	..	..
x1	1	.	...	Stanfords	....	..	..	..	..
24	10½	1.75	8.3	Steel of Can.	703	20	21	19	21
30½	20	1.75	5.8	Do. pref.	377	30	30¼	30	30
¼	¼	.	...	Sterling Coal	....	½	..	..	..
18½	9¾	1	6.4	Sup. Pete. ord.	40	16	15½	15½	15½
16½	16½	1	6.1	Do. com.	....	16½	..	..	..
98	90	7	7.7	Do. pref.	....	90½	..	..	..
42	35	.	...	Tamblyn	....	40	..	..	..
100½	95	7	7.1	Do. pref.	5	100	98	98	98
18	15	3.50	23.3	Thayers, pref.	....	15	..	..	..
7	3	.	...	Tip Top Tailors	....	3	..	..	..
67	50	7	12.7	Do. pref.	....	55	..	..	..
x22	10	.	...	Tooke Bros.	....	..	..	..	..
x67	48½	.	...	Do. pref.	....	..	..	..	..
15	7	.	...	Tor. Elevators	25	14½	14⅞	14¾	14⅞
210	125	10	5.7	Tor. Gen. Tr.	....	175	..	..	..
105	85	6	5.7	Toronto Mtge.	10	100	105	105	105
¼	¼	.	...	Traymore	....	¼	..	..	..
2¼	2	.	...	Do. pref.	....	2	..	..	..
120	103	7	6.6	Tuckett Tob. p	15	105	105¼	105¼	105¼
5	2	.	...	Twin City	....	5	..	..	..
b24½	7	.	...	Do. pref.	....	..	..	..	..
37	23	.	...	Do. (notes)	....	23	..	..	..
7	1½	.	...	Union Gas	140	5½	6	5¾	5¾
100	100	5	5	Union Trust	....	100	..	..	..
x8	3	.	...	United Fuel	....	..	..	..	..
15	3	.	...	Do. pref.	....	8	..	..	..
24½	18	2	11.1	United Secs.	....	18	..	..	..
11	5	.	...	Viau Biscuit	....	9	..	..	..
75	60	7	11.7	Do. pref.	5	60	60	60	60
12	4	.	...	Wabasso Cot.	....	10	..	..	..
8	2½	.	...	Walker-Good.	2632	6¼	6⅝	6	6
12	9	1	10.5	Do. pref.	2166	9⅝	9⅝	9¼	9⅝
3½	1	.	...	Waterloo Mfg.	105	2½	2¼	2	2¼
80	75	7	...	W. Koot. Pr.	....	80	..	..	..
8	5½	.	...	West. C. Flour	....	8	..	..	..
60	54	6.50	11.2	Do. pref.	....	58	..	..	..
11	10	.	...	West. Grocers.	....	10	..	..	..
54	43	7	13.2	Do. pref.	....	53	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
23	16½	1	4.5	Weston Bisc.	....	22	..	..	..
70	65	7	10	Do. pref.	20	67	70	70	70
10	3	.	...	Windsor Hotel	....	8	..	..	..
38	10	.	...	Do. pref.	30	10	15	15	15
8	2	.	...	Winnipeg Elec.	620	5½	5⅞	5¼	5½
20	13	.	...	Do. pref.	15	17	16	15	15
x46	46	.	...	Woods Mfg. p.	....	..	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
§ Stock dividends of 2% each paid Sept. 1 and June 1; 25c cash paid March 1, 1932.
° Plus final div. of 17½c paid March 31, 1932.

Winnipeg Grain Prices

Week to September 27

Crop year from Aug. 14, 1932 High	Low		Open Sept. 21	High for week	Low for week	Close Sept. 27
		Wheat				
.60½	.50½	Oct.	.51⅛	.52⅝	.50½	.50¾
.61¾	.52¼	Dec.	.53⅛	.54⅞	.52¼	.52¼
.66	.57⅛	May	.57⅞	.59⅝	.57⅛	.57⅛
.53⅝	.51½	Nov.	....	.53⅝	.51½	.51½
		Oats				
.27⅞	.23½	Oct.	.25	.25⅜	.23⅞	.23⅞
.27	.23⅞	Dec.	.24¾	.25⅜	.28⅞	.23⅞
.29½	.27½	May	.29	.29⅝	.27½	.27½
		Barley				
.35⅞	.26½	Oct.	.29⅜	.29⅝	.26½	.26½
.35	.27¾	Dec.	.29¼	.31	.27⅞	.27⅞
.38½	.31⅛	May	.33⅞	.34⅞	.31⅛	.31⅛
		Flax				
.85	.70¾	Oct.	.78	.79¾	.78	.78¾
.87	.73	Dec.	.80	.81½	.79⅞	.80⅝
.94	.78⅞	May	.86½	.87½	.85¼	.86⅛
		Rye				
.36½	.31⅛	Oct.	.31⅞	.32⅛	.31½	.31½
.38½	.33⅛	Dec.	.33⅞	.34⅞	.33½	.33½
.41⅛	.37½	May	.38¼	.39¼	.37⅞	.38

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
September 27, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.70	1.00
Acadia Sugar pf.	2.65	3.00
Acme Farmers Dairy pfd.	61.00	68.00
Acme Glove pfd. bonus c.	6.50	7.75
Agnew Surpass pfd.	60.00	70.00
Allens Lond. pf.	31.00	....
Allens Toronto pf.	15.00	....
Andian Nat. Corp.	25.25	28.75
Canada & Dom. Sugar c.	21.50	24.00
Canada Mach. c.	3.25	5.00
Canada Mach. pf.	25.00	....
Canada Pack. c.	13.50	15.75
Canada Pack. pfd.	63.50	....
Canada Starch pf.	63.50	68.00
Canada Tea pfd.	55.00	....
Canada Wire & Cable pf. W.W.	72.00	75.00
Can. Industries c. "A"	80.00	83.00
Can. Industries c. "B"	80.00	82.00
Can. Industries 7% pfd.	114.00	116.00
Can. Westing.	40.00	42.50
Chase, A. W. Units	22.50	25.50
Claude Neon Gen. Adv. Units	22.00	23.25
Claude Neon Gen. Adv. c.	2.75	3.50
Crescent Creameries pfd.	60.00	70.00
Dodge Manufacturing "A" pf.	5.00	....
Dodge Manufacturing "B" c.	2.25	....
Dom. Foundries & Steel c.	6.00	9.00
Dom. Foundries & Steel pfd.	70.50	74.00
Dom. Mfrs. pfd.	66.25	71.00
Dunlop Tire 7% pfd.	45.50	50.00
Eastern Dairies Ltd. pfd.	63.00	69.00
Edmonton Stockyards Units	....	52.00
Fed. Grain pfd.	40.00	....
Gen. Steel Wares pfd.	6.00	....
Goderich Elevator & Transit	9.50	10.50
Greening Wire 7% pfd.	65.00	70.00
Guardian Realty pfd.	19.00	24.00
Guelph Carpet pfd. bonus c.	70.00	73.25
Guelph Carpet c.	5.00	....
Inter. City Bak. c.	34.00	40.00
Inter. Proprietaries "A"	26.75	27.25
Langleys pfd.	....	40.00
Loew's London pfd. 7%	2.60	3.00
Loew's Lond. c.	.20	....
Massey Harris pf.	17.50	18.00
Melchers Distilleries "A"	1.25	....
Mount Royal Hotel c.	.50	.90
Mount Royal Hotel pfd.	5.00	6.00
Nat. Grocers c.	1.35	1.75
National Grocers 2nd pfd.	42.50	46.00
National Sewer Pipe "A"	18.50	....
National Sewer Pipe c.	6.50	....
Neilson, Wm., c.	5.00	....
Ont. Silknit pf.	19.00	21.00
Provincial Paper 7% pfd.	40.00	42.00
Reliance Grain pfd.	61.50	....
Rolland Paper pfd. /W.W.	31.00	32.50
Standard Clay Products c.	17.50	22.00
Standard Fuel pfd. bonus	55.00	58.00
Supertest Petroleum "B" pfd.	18.25	22.00
Toronto Brick pf.	....	36.00
Toronto Carpet c.	....	89.00
Toronto Carpet 8% pfd.	....	86.00
Toronto Elevators 7% pfd.	75.00	....
Toronto Housing com.	15.00	23.00
Industrial Stocks:	**Bid**	**Asked**
Western Grain pfd. bonus	36.50	....
Willard Choc. pfd.	....	21.50
Insurance Stocks:		
Canada Life Ass.	370.00	410.00
Canada Nat. Fire	15.00	....
Can. Fire Ins.	65.00	68.00
Confederation Life 20% pd.	118.00	128.00
Continental Life 20% pd.	47.00	55.00
Crown Life Ins.	100.00	120.00
Dom. Fire Ins.	90.50	....
Dom. Life 50% pd.	225.00	270.00
Dom. of Can. Gen. Ins.	110.00	125.00
Excelsior Life 30% pd.	71.00	78.00
Fidelity Ins. of Can.	....	69.50
Great West Life Assce.	237.00	260.00
Guarantee Co. of N.A.	175.00	225.00
Halifax Fire Ins.	13.75	15.75
Imperial Life Assce.	240.00	260.00
Mfrs. Life Ins.	225.00	245.00
Monarch Life 10% pd.	20.00	24.00
National Life 25% pd.	66.00	72.00
Saskatchewan Life 10% pd.	11.25	16.00
Sovereign Life 25% pd.	19.00	24.00
Sun Life Assce.	385.00	410.00
Western Assce. c.	14.50	16.00
Western Life 20% pd.	8.00	12.00
Trust & Loan Stocks:		
Can. Gen. Investments Ltd.	3.95	4.05
Chartered Trust	65.00	71.00
Debenture & Sec. com.	5.00	....
Debenture & Sec. pfd.	21.00	....
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	125.00	150.00
Guelph & Ont. Inv. par $50	45.75	51.00
Lambton Loan & Sav.	51.00	58.00
Investment Foundation Units	14.00	18.00
London & Western Trust	81.50	85.00
Mtge. Disc. pfd.	2.45	3.00
Mutual Fin. pfd.	....	2.25
Northern Trust	....	24.00
Premier Trust	82.00	86.00
Provincial Bank	100.00	104.00
Security Loan & Sav.	96.00	108.00
Sherbrooke Trust	125.00	150.00
Sterling Trust	59.00	62.00
Traders Fin. c.	.75	1.50
Traders Fin. pfd.	17.25	....
Trusts & Guar.	41.25	46.00
Union Trust	....	95.00
Victoria Trust & Sav.	168.50	....
Waterloo Trust & Sav.	100.00	109.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	94.50	96.00
Calgary Pwr. 6% pfd.	75.00	77.00
Can. Light & Pwr. c.	17.00	22.00
Can. West. Nat. Gas LH&P c.	19.00	25.00
Can. West. Nat. Gas LH&P pfd.	75.00	78.00
Great Lakes Pwr. pfd.	....	66.00
Maritime Tel. & Tel. c.	10.50	11.50
Maritime Tel. & Tel. pfd.	10.50	11.50
N.B. Tel. c.	7.75	9.00
N.S. L&P pfd.	72.00	80.00

Recent London Quotations:

Brewer Distillers	4s.
Can. & For. sec.	3s. 9d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	23s. 9d.
Do., 5%	77s. 6d.
Internat. Holdings	$1⅝
Nfld. Pr. & Pap. deb. stock "B"	100½
Trust & Loan of Can.	2s. 6d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
September 27, 1932

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	22.00	25.00
Acadia Sugar 6% 1946	82.00	85.00
Alta. Pac. Grain 6% 1946	83.50	85.50
American Sales Book 6% 1939	103.00	....
Arnold Bros. 6% 1947	40.00	50.00
B. A. Oil 5% 1945	90.00	93.00
Canada Biscuit 6½% 1946	26.00	30.00
Canada Bread 6% 1941	86.00	....
Canada Cement 5½% 1947	80.50	84.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	76.00	78.00
Can. Copper Refin. 6% 1945	95.00	98.00
Can. Cottons 5% 1940	84.00	88.50
Can. Steamship 6% 1941	43.00	47.00
Can. Vickers 6% 1947	74.00	76.00
Cons. Invest. 4½% 1959	38.00	41.00
Cosmos Imp. Mills 6½% 1944	83.00	85.00
Davies, Wm. 6% 1942	81.00	83.00
Debenture & Sec. 4% 1936	50.00	52.00
Dom. Manufacturers 6% 1933	96.00	....
Dom. Tar & Chemical 6% 1949	75.00	77.00
Dom. Telegraph 5½% 1978 "A"	82.50	86.00
Dom. Textile 6% 1949	92.00	....
Dom. Woolens 6% 1948	....	25.00
Donnacona Paper 5½% 1948	22.00	....
Eaton Realty 5% 1949	83.00	....
Famous Players 6% 1948	68.00	72.00
Famous Players 6½% 1948	54.50	56.50
Federal Grain 6% 1949	81.50	84.00
Fraser Co. 6% 1932	16.00	....
Fraser Co. 6% 1950	17.00	....
Galt Brass 7½% 1941	25.00	35.00
Goodyear Cotton 6% 1949	95.00	98.00
Great Lakes Paper 6% 1950	22.00	24.00
Gypsum, Lime & Alab. 5½% 1948	58.00	62.00
Harris Abattoir 6% 1947	85.00	....
Howard Smith 5½% 1953	63.00	65.00
Loew's Toronto 6% (Serial)	95.00	100.00
London Realty 6½% 1950	52.00	57.00
Maple Leaf Milling 5½% 1949	58.00	61.00
Massey Harris 5% 1947	74.00	76.50
McColl Frontenac 6% 1949	89.00	92.00
McKinnon Industries 6½% 1945	93.00	....
Mercury Mills 5½% 1953	45.00	....
Metropolitan Bldg. 7% 1944	84.00	90.00
Nor. Ont. Bldg. 6½% 1939	63.00	73.00
Price Bros. 6% 1943	40.00	43.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	62.00	....
Simpsons Ltd. 5½% 1949	65.00	69.00
Simpsons Ltd., 6% 1949	75.00	80.00
Steel of Can. 6% 1940	102.00	105.00
Toronto Carpet 6% 1944	75.00	....
United Gas & Fuel 5½% 1948	51.00	58.00
United Grain Growers 5% 1948	78.00	....
United Grain Growers 5½% 1949	82.00	....
Western Grain 6% 1949	74.00	....
Public Utility Bonds:		
Bell Telephone 5% 1955	108.00	110.00
Bell Telephone 5% 1957	108.00	110.00
B. C. Power 5½% 1960	86.00	90.00
B. C. Telephone 5% 1960	94.50	96.00
Calgary Power 5% 1960	85.00	89.00
Can. Northern Pwr. 5% 1953	80.00	86.00
Duke Price Power 6% 1966	67.00	72.00
Elec. Develop. 5% 1933	111.00	....
French Natl. Mail SS 6% 1952	115.00	125.00
Gatineau Pwr. 5% 1956	80.50	82.50
Gatineau Pwr. 6% 1941 Apr. 1	77.00	79.00
Inter. Pwr. 6½% 1957	58.00	61.00
MacLaren Quebec 5½% 1961	80.00	85.00
Manitoba Power 5½% 1951	65.00	70.00
Montreal Isl. Pwr. 5½% 1957	96.00	100.00
Montreal LH&P 5% 1951	106.00	108.00
Montreal LH&P 5% 1970	105.00	107.00
Montreal Tram. 5% 1941 July	98.00	100.00
Montreal Tram. 5% 1955	84.50	87.00
Northwest Utilities 7% 1938	89.00	98.00
Ont. Pwr. Service 5½% 1950	70.50	72.50
Ottawa Valley Pwr. 5½% 1970	95.00	97.00
Quebec Power 5% 1968	88.00	92.00
Rio Tramways 5% 1935	85.00	87.00
Shawinigan W&P 4½% 1970	77.50	80.00
Shawinigan W&P 5% 1970	88.00	92.50
Shawinigan W&P 6% 1937	95.00	97.00
Southern Can. Pwr. 5% 1955	92.50	95.00
West Kootenay Pwr. 5% 1956	90.00	94.00
Government Provincial & Railway		
C.N.R. 4½% 1951 Dom. Gtd.	98.00	98.75
C.N.R. 4½% 1957 Dom. Gtd.	98.00	98.50
C.N.R. 5% 1969 Dom. Gtd.	105.00	105.50
C.P.R. 4½% 1944	84.00	85.25
C.P.R. 5% 1934	96.50	97.50
C.P.R. 6% 1942	106.50	108.00
Dom. of Can. 5% 1936	101.50	102.50
Dom. of Can. 5% 1941	101.75	102.50
G.T.P. 3% 1962 Dom. Gtd.	75.00	76.00
G.T.P. 4% 1962 Dom. Gtd.	88.00	89.50
Ont. Hydro 5% 1939 Ont. Gtd.	99.00	100.50
Ont. Hydro 4% 1957 Ont. Gtd.	88.00	90.00
Prov. of N. B. 5½% 1950	103.00	104.00
Prov. of Ontario 4½% 1944	100.00	101.00
Prov. of Ontario 5% 1948	101.00	102.00
Prov. of Ontario 5½% 1947	105.00	105.50

Winnipeg Stock Exchange

September 23, 1932

	Bid	Ask
Beaver Fire	..	100
Beaver Lumb. pf.	78	85
Can. Amer. Tr. shs.	..	3¼
Can. Nat. Fire	14	..
City Dairy (Wpg.) pref. 7%	..	50
Do., pref. 8%	..	80
Corp. Steel c.	..	5
Cres.-Cream. pfd.	60	67½
Home Inv. & Sav.	25	..
N. Can. Mtge. pfd.	..	15
Un. Gr. Growers	..	14
Traders' Bldg.	75	..
West. Breweries	1½	2
Fund. Tr. shs. "A"	..	3¼
Do., "B"	..	3⅜
Grouped Inc. shs.	..	4.30

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	7%	1¾%	Oct. 1	Sept. 15
Assoc. Breweries	80c	15c	Sept. 30	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Building Products "A" & "B"	$1	25c	Oct. 1	Sept. 19
Brantford Cordage pref.	8%	2%	Oct. 20	Sept. 20
Bank of Nova Scotia	14%	3½%	Oct. 1	Sept. 15
Brit. Amer. Oil (coupon 10)	80c	20c	Oct. 1	Sept. 14
Bell Telephone	7%	1¾%	Oct. 15	Sept. 23
Brazilian Traction, pfd.	6%	1½%	Oct. 1	Sept. 15
B. C. Power "A"	$2	50c	Oct. 15	Sept. 30
Burt, F. N.	$2.40	60c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
B.C. Electric Pr., pfd.	6%	1½%	Oct. 1	Sept. 20
Belding Cort. c.	7%	1¾%	Nov. 1	Oct. 15
Canada Dry	$1.20	30c	Oct. 15	Oct. 1
Canada Life Assur.	20%	5%	Oct. 1	Sept. 30
Canada Packers pfd.	7%	1¾%	Oct. 1	Sept. 15
Can. Cottons pref.	6%	1½%	Oct. 4	Sept. 17
Calgary Power c.	6%	1½%	Oct. 1	Sept. 15
Central Can. Loan	10%	2½%	Oct. 1	Sept. 15
Confederation Life	$4	$1	Sept. 30	Sept. 25
Can. Celanese, pfd.	7%	1¾%	Sept. 30	Sept. 17
Candn. Gen. Electric	$4	$1	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Can. Industries, pref.	7%	1¾%	Oct. 15	Sept. 30
Do., com. "A" and "B"	$3.50	87½c	Oct. 31	Sept. 30
Can. Wire Boxes, "A" pfd.	$1	25c	Oct. 1	Sept. 15
Can. Northern Pr.	80c	20c	Oct. 25	Sept. 30
Do., pref.	7%	1¾%	Oct. 15	Sept. 30
Can. Pacific Ry. pf.	4%	2%	Oct. 1	Sept. 1
Canadian Oil, pref.	$8	$2	Oct. 1	Sept. 20
Can. Perm. Mtge.	$12	$3	Oct. 1	Sept. 15
Can. Canners conv. pfd.	40c	10c	Oct. 1	Sept. 15
Do., 1st pref.	6%	1½%	Oct. 1	Sept. 15
Canadian Car pref.	$1.75	43c	Oct. 8	Sept. 26
Consumers Gas	10%	2½%	Oct. 7	Sept. 15
Canada Bud	$1	25c	Oct. 15	Sept. 30
Canada Bread 1st pfd.	7%	1¾%	Oct. 1	Sept. 15
Crown Trust c.	7%	1¾%	Oct. 1	Sept. 30
Can. Gen. Invest. c. (coupon 17)	40c	10c	Oct. 1	Sept. 15
Can. Westinghouse	$2	50c	Oct. 1	Sept. 20
Chartered Trust	$4	$1	Oct. 1	Sept. 24
Crescent Creamery pfd.	7%	1¾%	Oct. 15	Sept. 30
Dominion Bank	10%	2½%	Oct. 1	Sept. 20
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dominion Glass	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	$7	$1.75	Oct. 1	Sept. 15
Dominion Stores	$1.20	30c	Oct. 1	Sept. 15
Dominion Textile pfd.	7%	1¾%	Oct. 15	Sept. 30
Do. com.	5%	1¼%	Oct. 1	Sept. 15
Dominion Rubber pfd.	7%	1¾%	Sept. 30	Sept. 23
Dome Mines	$1	25c	Oct. 20	Sept. 30
Do., bonus	...	10c	Oct. 20	Sept. 30
Dominion Fuondries, pfd.	...	$1.50	Sept. 1	Sept. 1
Eastern Dairies pref.	7%	1¾%	Oct. 15	Sept. 30
Edmonton C. Dairy pfd.	6½%	1⅝%	Oct. 1	Sept. 15
Eastern Trust	8%	2%	Oct. 1	Sept. 20
Economic Inv. Trust	75c	37½c	Oct. 1	Sept. 20
East. Steel Prod., pref.	7%	1¾%	Oct. 1	Sept. 15
Fanny Farmer pfd.	$2.40	60c	Oct. 1	Sept. 15
Freiman, A. J., pfd.	6%	1½%	Oct. 1	Sept. 15
Great Lakes Power pfd.	7%	1¾%	Sept. 15	Aug. 31
Guar. of N. America	$6	$1.50	Oct. 15	Sept. 30
Do., extra	$10	$2.50	Oct. 15	Sept. 30
Goodyear Tire	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Gurd, Chas.	$1	25c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Great West Life	20%	5%	Oct. 1	Sept. 20
Greening Wire pfd.	7%	1¾%	Oct. 1	Sept. 15
General Trust pfd.	6%	1½%	Oct. 1	Sept. 26
Home Inv. & Savings	$4	$1	Oct. 1	Sept. 20
Hollinger Gold Mines	65c	5c	Oct. 6	Sept. 22
Hunts "A" & "B"	$1	25c	Oct. 1	Sept. 17
Holt, Renfrew pfd.	7%	1¾%	Oct. 1	Sept. 26
Huron & Erie Mtge.	8%	2%	Oct. 1	Sept. 15
Hamilton Un. Theatres, pfd.	7%	1¾%	Sept. 30	Aug. 31
Highland Dairy pfd.	7%	1¾%	Oct. 1	Sept. 28
Howe Sound, c.	40c	10c	Oct. 15	Sept. 30
Imperial Life	$15	$3.75	Oct. 1	Sept. 30
Imperial Tobacco, ord.	35c	8¾c	Sept. 30	Aug. 31
Do., pref.	6%	3%	Sept. 30	Aug. 31
Inter. Nickel, pref.	7%	1¾%	Nov. 1	Oct. 3
Inter. Utilities, prior pfd.	7%	1¾%	Nov. 1	Oct. 15
Do., pref.	$3.50	87½c	Nov. 1	Oct. 15
Do., pfd. (1931)	$1.75	43¾c	Oct. 15	Oct. 1
Imperial Bank	10%	2½%	Nov. 1	Sept. 30
Inter. Hydro-Elec. pfd.	$3.50	87½c	Oct. 15	Sept. 26
Invest. Foundation pfd.	$3	37c	Oct. 15	Sept. 30
Jamaica Pub. Serv. c.	$1	25c	Oct. 1	Sept. 19
Do., pref.	7%	1¾%	Oct. 1	Sept. 19
Land. Bkg. & Loan	8%	2%	Oct. 1	Sept. 15
McColl Frontenac pref.	$6	$1.50	Oct. 15	Sept. 30
Mackay Co's. pref.	$4	$1	Oct. 1	Sept. 22
Maritime Tel. & Tel., pfd.	70c	17½c	Oct. 1	Sept. 15
Do., com.	80c	20c	Oct. 1	Sept. 15
Mitchell, J. S., pref.	7%	1¾%	Oct. 1	Sept. 16
Monarch Mtg. & Inv. pfd.	...	10c	Oct. 15	Sept. 30
Mtl. City & D. Bk.	12%	3%	Oct. 1	Sept. 15
Montreal Telegraph	$3.20	80c	Oct. 15	Sept. 30
Montreal Tramways	10%	2½%	Oct. 15	Oct. 6
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
Midland & Pac. Grain 1st pfd.	7%	1¾%	Oct. 1	Sept. 24
Moore Corp. "A" pfd.	7%	1¾%	Oct. 1	Sept. 22
Do., "B" pfd.	7%	1¾%	Oct. 1	Sept. 22
National Life	$2.50	62½c	Oct. 1	Sept. 30
N. B. Telephone, c.	60c	15c	Oct. 15	Sept. 30
New Eng. Power pfd.	6%	1½%	Oct. 1	Sept. 9
Do., 2nd pfd.	$2	50c	Oct. 1	Sept. 9
Do., com.	$2	50c	Oct. 10	Sept. 30
National Trust	12%	3%	Oct. 1	Sept. 20
North Star Oil pfd.	7%	1¾%	Oct. 1	Sept. 15
National Breweries	$1.60	40c	Oct. 1	Sept. 15
Do., pref.	$1.75	44c	Oct. 1	Sept. 15
National Steel Car	80c	20c	Oct. 1	Sept. 20
Northern Ont. Power	$2	50c	Oct. 25	Sept. 30
Do., pref.	6%	1½%	Oct. 25	Sept. 30
N.S. Light & Pr. c.	$4	$1	Oct. 1	Sept. 17
Ont. Loan & Deb.	$6	$1.50	Oct. 1	Sept. 15
Ottawa L. H. & Pr.	6%	1½%	Sept. 30	Sept. 15
Do., pref.	6½%	1⅝%	Oct. 1	Sept. 15
Ogilvie Flour Mills c.	8%	2%	Oct. 1	Sept. 22
Page Hersey Tubes	$3	75c	Oct. 1	Sept. 20
Do., pref.	7%	1¾%	Oct. 1	Sept. 20
Penmans	$3	75c	Nov. 15	Nov. 5
Do., pref.	6%	1½%	Nov. 1	Oct. 21
Pioneer Gold, B.C.	12c	3c	Oct. 1	Sept. 12
Power Corp., pref.	$6	$1.50	Oct. 15	Sept. 30
Do., 2nd pref.	$3	75c	Oct. 15	Sept. 30
Porto Rico Power pfd.	7%	1¾%	Oct. 1	Sept. 15
Premier Gold Mines	12c	3c	Oct. 5	Sept. 16
Provincial Paper, pfd.	7%	1¾%	Oct. 1	Sept. 15
Perfection Petrol. pfd.	$1.50	37½c	Oct. 1	Sept. 30
Robinson Cons. Cone	$1	25c	Oct. 1	Sept. 15
Riverside Silk	$1	25c	Oct. 1	Sept. 15
Southern Can. Power, pfd.	6%	1½%	Oct. 15	Sept. 20
Standard Steel "A" pfd.	$3	75c	Oct. 1	Sept. 15
Supertest Pete., pfd. "A"	7%	1¾%	Oct. 1	Sept. 16
Do., pfd. "B"	6%	1½%	Oct. 1	Sept. 16
Do., com.	$1	25c	Oct. 1	Sept. 16
Do., ord. (coupon 21)	$1	25c	Oct. 1	Sept. 16
Sterling Pacific Oil	...	2½c	Oct. 15	Sept. 30
Sher.-Williams, pref.	7%	1¾%	Sept. 30	Sept. 15
Standard Fuel, pfd.	6½%	1⅝%	Oct. 1	Sept. 15
Silverwood's Dairies pfd.	7%	1¾%	Oct. 1	Sept. 17
Societe de Prets & P. ord.	$6	$1.50	Oct. 1	Sept. 26
Southern Can. Power c.	$1	25c	Nov. 15	Oct. 31
Steel of Canada	$1.75	43¾c	Nov. 1	Oct. 7
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 7
Tamblyn, pref.	7%	1¾%	Oct. 1	Sept. 24
Teck-Hughes	60c	15c	Nov. 1	Oct. 15
Tip Top Tailors pfd.	7%	1¾%	Oct. 1	Sept. 15
Toronto Gen. Trusts	10%	2½%	Oct. 1	Sept. 17
Toronto Mortgage	12%	3%	Oct. 1	Sept. 15
Thrift Stores, 1st pfd.	$1.62½	40⅝c	Oct. 1	Sept. 20
Do., 2nd pref.	70c	17½c	Oct. 1	Sept. 20
Toronto Elevators pfd.	7%	1¾%	Oct. 15	Oct. 1
Thayers, pref.	$3.50	87½c	Oct. 1	Sept. 27
Tuckett Tobacco, pref.	7%	1¾%	Oct. 15	Sept. 30
Union Trust	$5	$1.25	Oct. 1	Sept. 20
United Securities	$2	50c	Oct. 15	Sept. 30
Viau Biscuit pref.	7%	1¾%	Oct. 1	Sept. 23
Weston, Geo., c.	$1	25c	Oct. 1	Sept. 20
West Koot Pr. pfd.	7%	1¾%	Oct. 1	Sept. 21
Western Grocers pfd.	7%	1¾%	Oct. 15	Sept. 20
Wright-Hargreaves	10c	2½c	Oct. 1	Sept. 15
Do., extra	...	2½c	Oct. 1	Sept. 15

Goderich Elevator, com. Future payments to be semi-annual. Previous payment 35c. quarterly, July 1, 1932.

Dividends Passed or Deferred:

Canadian Pacific Railway, semi-annual common, due Oct. 1, 1932, deferred until full year's earnings are known. Last payment 31¼c. on quarterly basis, April 1, 1932.

Sun Life Assurance, Oct. 1, deferred. Last paid $3.75 July 1, 1932.

Niagara Wire Weaving, pref. Oct. 1, deferred. Last paid 75c. June 30, 1932.

Eastern Dairies, c. Nov. 1, passed. Last paid 25c. Aug. 1, 1932.

Consolidated Bakeries, Oct. 1 passed. Last paid 12½c July 2, 1932.

Canadian Wineries, Oct. 15, passed. Last paid 5c. July 15, 1932.

Hamilton Bridge, pref. Nov. 1, deferred. Last paid $1.62½ July 15, 1932.

Dividend Rate Reduced:

Bank of Nova Scotia, 3½% Oct. 1. Reduced from 16% to 14% per annum.

Dominion Bank, 2½% Oct. 1. Reduced from 12% to 10% per annum.

Gurd, Chas., c. 25c Oct. 1. Reduced from $1.60 to $1 per annum.

Building Products "A" and "B" 25c. Oct. 1. Reduced from $1.40 to $1 per annum.

Page Hersey c. 75c. Oct. 1. Reduced from $5 to $3 per annum.

Economic Invest. Trust 37½c Oct. 1. Reduced from $1.50 to 75c. per annum.

Imperial Bank 2½% Nov. 1. Reduced from 12% to 10% per annum.

Robinson Cons. Cone, 25c. Oct. 1. Reduced from $1.50 to $1 per annum.

Chartered Trust, $1 Oct. 1. Reduced from $5 to $4 per annum.

Societe de Prets & P. ord. $1.50 Oct. 1. Reduced from $8 to $6 per annum.

Extra Dividends:

Wright-Hargreaves 2½c. Oct. 1.

Dome Mines 10c. Oct. 20.

Guarantee of North America $2.50, Oct. 15.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

DOM. WOOLLENS INVENTORY LOSS OFFSETS GAIN

Bond Interest Due December 1 Creates Problem

OPERATING PROFIT

Has Working Capital of $688,178; Bank Loans and Payables Reduced

Continued loss on inventories has offset an increase in operating profit shown y Dominion Woollens & Worsteds Ltd. in the year ended June 30 and while working capital is shown at $688,178 action must be taken before December 1 if this liquid position is to be retained and bond interest coming due on that date is to be paid. In addition the company must have funds to purchase machinery needed to meet the demands of trade. Interest paid on June 1, 1932, was paid by the bank on the guarantee of directors of the company. The June 1 interest payment of $73,503 was paid in United States funds.

Operating profit of the company showed some improvement over the preceding year and covered bond interest, exchange and provision for bad debts. Adjustment of inventories amounting to $198,635 caused the deficit for the year and no provision was made for depreciation. In the past three years it is stated that the value of inventories has been reduced by 65 per cent.

The income account of the company is as follows:

INCOME ACCOUNT, YEARS ENDED JUNE 30

	1932	1931
	$	$
Operating profit	185,825	112,277
Less: Depreciation ..	....	....
Bond interest	127,748	130,455
U.S. exchge. on int.	23,189	....
Prov. for bad debts	15,730	68,000
Inventory adjust. ..	198,635	491,673
Net loss	179,472	577,851
Add: Previous deficit .	744,822	166,971
Deficit forward	924,294	744,822

The chief change in current assets is the reduction in inventories which are down to $983,095 from $1,399,742 the previous year. Cash at $10,006, accounts receivable at $323,972 and sundry receivables at $608 show slight reduction. In current liabilities the bank loan has been reduced to $468,000 from $609,000, accounts and bills payable are down to $124,010 from $219,013 and accrued liabilities to $25,320 from $65,991. Working capital position is as follows:

Working Capital Position at June 30

	1932	1931
	$	$
Current assets	1,317,681	1,802,664
Current liabilities ...	629,503	904,789
Working capital	688,178	897,875
Ratio	2.09—1	1.91—1

Fixed assets are shown at $4,463,778, an increase of $10,000 on the previous year. Under liabilities is shown reserve for depreciation of $185,741 and this has shown no increase since 1930. Prepaid taxes and insurance are carried at $18,620; mortgages receivable at $5,608 and balances due on agreements of sale at $10,939. Bad debt reserve remains at $25,218 and premium on bond redemption is up to $41,582 from $25,008. During the year $40,000 of the first mortgage bonds were retired and there now remains $2,117,000 outstanding in addition to $1,500,000 of preferred stock and 60,000 shares of no par value common. Surplus at acquisition of the company is shown at $1,641,872 and operating deficit is $924,294.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Winnipeg Sausage Manufacturing Co. recently opened a new sausage manufacturing plant at 933 Notre Dame Avenue, Winnipeg. The company manufactures all kinds of sausages and cooked, smoked and pickled meats.

Macdonald Metal Products Co., Ltd., of Waterloo, Que., manufacturers of stamped, wire and cast iron hardware specialties, have entered the oil burner field with a model known as the "Master." The parts are being manufactured in Waterloo and the assembly is being done in Montreal. Approximately 35 extra employees are working on this section of the company's business.

Total Car Loadings Higher Than in 1931 For First Time

Railway car loadings in the western division during the week ended September 17 exceeded the loadings in the eastern division for the second week in succession and the second week on record. For the first time this year total car loadings have exceeded the total of the corresponding week of 1931.

During the week ended September 17 total car loadings amounted to 55,527 cars, 5,300 cars greater than in 1931. Practically all the increase was in the western division where grain increased by 10,418 cars, merchandise by 854, coal by 256 and forest products by 150. The index for the western division passed the hundred mark for the first time in two years reaching 109.81.

Total car loadings in the eastern division amounted to 25,944 cars which was 4,651 cars less than in 1931 but 4,897 cars over the loadings of the previous week. The index rose from 54.69 to 59.35 after adjustment.

Good Roads Association Elect New Officials

At the annual meeting of the Canadian Good Roads Association held recently the following officers were elected for the 1932-33 year:

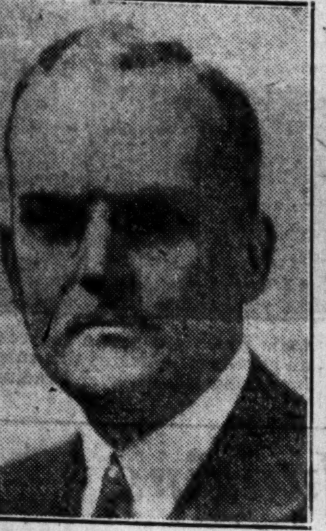
Honorary president, Hon. A. C. Stewart, Saskatchewan; president, Hon. Leopold Macaulay, Ontario; first vice-president, Hon. R. W. Bruhn, British Columbia; second vice-president, Col. J. L. Boulanger, Quebec; third vice-president, Hon. J. D. Stewart, Premier of Prince Edward Island; secretary-treasurer, George A. McNamee, Montreal.

Emigration to U.S. in July Half July, 1931, Total

Canadians entering United States during July to take up permanent residence in that country numbered 682 as compared with 1,226 in July, 1931, and 3,501 in July, 1930.

Persons entering from Canada to take up permanent residence in the United States during the United States fiscal year ended June 30 numbered 7,927 in 1932, just over one third of the total of 21,687 entering during the 1931 fiscal year.

Principals in New Investment Banking Firm



J. D. McTAGGART

H. J. HANNAFORD

Announcement is made of the formation of McTaggart, Hannaford, Birks and Gordon, which will handle a general investment business in Montreal. Mr. McTaggart was connected for many years with Wood, Gundy and Co., as a Montreal vice-president, while Mr. Hannaford was formerly associated with Hannaford and Birks.

McTaggart, Hannaford Form New Banking Firm

From Our Own Correspondent

MONTREAL. — Announcement is made of the formation of the investment banking firm of McTaggart, Hannaford, Birks and Gordon Ltd. The new organization will be engaged in the purchase and sale of government, municipal and high grade corporation bonds. Members of the firm are J. D. McTaggart, H. J. Hannaford, Gerald A. Birks and John Gordon.

Mr. McTaggart was formerly associated with Wood, Gundy & Co. in the capacity of vice-president and director. Mr. Hannaford was for twelve years associated with Harris, Forbes and Co. and was a director in the Canadian end of their organization until he formed the business of Hannaford, Birks & Co. in 1929. Mr. Birks is a director of Henry Birks and Sons and spent ten years with that firm. Mr. Gordon is a son of Sir Charles Gordon. In 1926 he became associated with the security department of the Bank of Montreal, and in 1931 formed the firm of John Gordon, Inc.

Auto Financing in August Shows Some Improvement

Financing of new and used cars in August amounted to $2,180,573 a decrease from the previous month of $294,500 and a decrease of $726,000 or 25 per cent from the same month of 1931 This decrease is an improvement from the showing in July which was 41 per cent less than in July, 1931.

Canadian Bond Quotations (Continued)

Listed Bond Quotations

Week Ending September 26

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge .	5	1953	...	22⅜	22½	...	46	19½
Asbestos	5	1942	...	16	...	...	65½	49
Do., 1st mtge. ..	6	1941	...	...	...	...	*20	14
Do., gen. mtge. .	6	1956	...	...	...	...	*9	...
Can. Cons. Rub. ..	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive ..	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.) ..	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.) .	5½	1958	...	...	...	...	*28½	5½
Can. S. S. debs. ...	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	4.92	104	...	...	101	95
Dom. Canners	6	1940	...	...	...	...	‡108	...
Dominion Coal	5	1940	...	45	...	...	*98½	95
McNish	6	1948	...	1.50	...	...	1.25	1.00
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mont. L.H.&P. deb.	3	1939	...	42⅜	43½	42½	44	35
Mont. Tr. 1st mtge.	5	1941	5.37	...	...	...	97½	90½
Mont. Trams. "A"	5	1955	6.19	84½	85½	84½	85½	69½
"B"	5	1955	7.45	84¾	...	...	79½	78½
Do., "C"	4½	1955	...	77½	...	...	*85	84
Do., "D"	5	1955	6.62	84⅜	...	...	81	78
N. S. Steel	5	1959	...	†78	...	...	*62½	59
Ontario Steel	6	1943	5.94	90	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada ..	6	1940	5.90	102	...	...	102½	100½
Wayagamack	6	1951	...	†41	...	...	*75	45
Winnipeg Elec. ...	5	1935	...	86	...	...	86	...
Toronto								
Canada Bread.....	6	1941	...	...	...	...	*101½	100
Steel of Canada ..	6	1940	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.45	110.00	....	....	107.00	102.00
Victory Loan	5½	1933	3.35	19.85	....	....	101.55	100.25
Do.	5½	1934	4.40	102.10	102.00	101.85	102.00	99.25
Do.	5½	1937	3.62	108.25	108.50	....	109.75	104.00
Do., refund	4½	1940	4.57	99.00	....	....	98.25	91.50
Do., refund	5	1943	4.70	102.25	....	....	101.25	95.38
Do., refund	4½	1944	4.61	98.50	....	....	96.75	89.50
Do., refund	4½	1946	4.60	98.50	....	....	92.25	91.50
Conversion Loan ..	4½	1956	4.76	97.25	....	....	91.50	88.25
Do.	4½	1957	4.84	97.25	....	....	90.50	83.00
Do.	4½	1958	4.66	98.25	97.50	....	97.50	88.50
Do.	4½	1959	4.69	98.75	....	....	97.50	88.75
Nat. Service Loan .	5	1936	4.50	102.00	101.75	....	101.75	96.25
Do.	5	1941	4.64	102.25	....	....	101.00	95.00

†Latest ask.

‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co.,

Sept. 27, 1932

	Rate	Actual Maturity	Next Int. Date		
*Alberta	4½	1 Oct., 1958	1 Oct.	89.45	5.25
Alberta	5	1 July, 1948	1 Jan.	96.70	5.40
Alberta	6	1 Mar., 1947	1 Mar.	103.00	5.62
*British Columbia ..	4½	1 Oct., 1953	1 Oct.	91.70	5.15
*British Columbia ..	5	15 Jan., 1948	15 July	97.30	5.25
British Columbia ..	6	15 Feb., 1947	15 Feb.	103.00	5.62
Manitoba	4	1 July, 1947	1 Jan.	81.26	5.90
*Manitoba	5	2 Dec., 1959	2 Dec.	96.50	5.25
Manitoba	6	1 Apr., 1947	1 Oct.	103.00	5.62
*New Brunswick ...	4	1 June, 1948	1 Dec.	91.15	4.80
*New Brunswick ...	4½	15 June, 1936	15 Dec.	99.85	4.80
New Brunswick ...	5½	1 May, 1950	1 Nov.	104.50	5.10
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	97.80	4.70
Nova Scotia	5	1 May, 1943	1 Nov.	100.75	4.90
*Ontario	4½	1 Sep., 1944	1 Mar.	101.50	4.35
Ontario	5	15 Oct., 1948	15 Oct.	102.50	4.80
Ontario	5½	1 Feb., 1947	1 Feb.	105.75	4.95
P. E. I.	4	1 Apr., 1939	1 Oct.	93.15	5.25
P. E. I.	6	1 May, 1947	1 Nov.	108.25	5.20
*Quebec	4½	1 May, 1961	1 Nov.	99.00	4.30
Saskatchewan	4½	1 Oct., 1944	1 Oct.	87.00	6.05
Saskatchewan	5	1 Oct., 1950	1 Oct.	91.65	5.75
Saskatchewan	6	15 Mar., 1952	15 Mar.	101.00	5.90
*Newfoundland	5	31 Dec., 1952	31 Dec.	72.00	7.75
*Newfoundland	5½	1 July, 1939	1 Jan.	75.00	10.40
*Newfoundland	6½	30 June, 1936	30 Dec.	80.50	12.90
Cities					
*Montreal	5	1 Sep., 1963	1 Mar.	104.00	4.70
*Toronto	4½	1 Jan., 1955	1 Dec.	97.25	4.70
*Vancouver	5	15 Jan., 1970	15 July	90.65	5.60
Winnipeg	5	1 Mar., 1944	1 Mar.	93.35	5.80
*Edmonton	5½	1 Apr., 1947	1 Oct.	88.35	6.75
Calgary	5	1 Jan., 1943	1 Jan.	87.00	6.75
Halifax	6	1 July, 1951	1 Jan.	105.85	5.50
Saint John	5	15 Dec., 1950	15 Dec.	95.36	5.40
Regina	4½	1 July, 1950	1 Jan.	76.75	6.75
Victoria	5	21 July, 1945	21 July	90.20	6.10
Quebec	5	1 June, 1948	1 Dec.	100.00	5.00

*Payable in New York.

Mining Stock Quotations

Week Ending September 26.

Par Val.	Range 1932 High	Low	Company	Sales	Close Sept. 19 (or last)	High for week	Low for week	Close Sept.26
1	.06	.03	Abana..........	400	.06	.06	.06	.06
1	.03	.00½	Aconda..........	3,500	.01	.01	.01	.01
No	.15	.15	Aldermac........	......	.15	.....	.....	.....
No	.20	.08	Algoma..........	116,300	.08¼	.10	.08¼	.09¼
1	.09	.00¾	Alexandria.......	52,800	.03¾	.03¾	.03	.03¾
1	.01½	.00¼	Algonquin.......	2,000	.00¾	.00¾	.00¾	.00¾
1	.01¾	.00¼	Amity C.........	3,500	.00¾	.01	.00¾	.01
No	.36	.06	Amulet..........	37,972	.22	.31½	.22	.25
1	.00½	.00½	Apex............	......	.00½	.....	.....	.....
1	.04	.01	Area............	14,100	.03	.03½	.02½	.03
.	.03½	.00¾	Arno............	87,900	.02½	.03	.02½	.02½
1	.02½	.02	Astoria Rouyn...	......	.02½	.....	.....	.....
1	.07	.02½	Bagamac.........	2,000	.03	.02½	.02½	.02½
1	.01½	.00¾	Baldwin.........	3,000	.01½	.01½	.01	.01
1	.12	.03½	Barry Hollinger..	9,200	.05	.05½	.04½	.05
No	1.45	.30	Base Metals.....	1,850	1.00	1.30	1.00	1.10
No	.12	.01	Bidgood.........	26,200	.02½	.02½	.02½	.02½
1	.21	.04	Big Missouri.....	20,110	.14	.17	.14	.15½
1	.10	.02	Bobjo...........	59,200	.08½	.09½	.07½	.09
1	.17	.02½	Brett Trethewey	44,800	.16¼	.17	.13	.16½
No	.08	.00¾	Brownlee........	4,700	.02½	.02½	.02½	.02½
1	.00¾	.00¼	Buckingham.....	3,000	.00¾	.00¾	.00¾	.00¾
No	.36	.02	Buffalo Can.....	7,000	.04	.04	.03½	.04
No	.04	.01	Bunker Hill......	1,000	.03	.02½	.02½	.02½
5s	1.03	.10	B'Wana McKubwa	40,610	1.03	1.00	.75	.80
No	.01	.00½	Cal. Flin Flon...	......	.01	.....	.....	.....
No	.04	.02	Canam Metals....	......	.04	.....	.....	.....
1	.04	.01½	Can. Kirkland...	9,000	.02	.02	.01½	.02
1	.09	.00¾	Canuss..........	10,500	.03½	.04½	.03	.04½
No	.02½	.00¾	Capital Rouyn...	......	.00¾	.....	.....	.....
1	.07	.02½	Cartier Malartic .	......	.03	.....	.....	.....
1	.21½	.09	Castle Trethewey	1,700	.17	.18	.17	.17
1	.09½	.04	Cen. Manitoba...	1,500	.07½	.07½	.07	.07
1	.13½	.02	Cen. Patricia....	2,350	.11	.10	.09	.09
No	.07½	.01¾	Chibougamau Pros.	1,500	.06	.05	.04	.05
No	.02	.00¾	Clericy..........	28,400	.01½	.01½	.01	.01½
5	5.00	.45	Coast Copper....	1,025	3.00	4.00	3.25	3.50
1	.02½	.00¾	Cobalt Contact ..	1,000	.01½	.01½	.01½	.01½
No	.16	.15	Cobuc...........	......	.15½	.....	.....	.....
1	.08	.03	Columario.......	5,100	.05	.06	.05	.06
5	1.10	.69	Coniagas........	......	1.10	.....	.....	.....
No	.50	.25	Coniaurum......	712	.40	.37	.25	.30
25	102.00	25.00	Cons. Smelters...	5,655	78.00	89.00	76.50	83.50
No	13.25	9.00	Dome Mines.....	2,315	12.60	13.20	12.65	13.00
No	.10	.02	Dom. Explorers..	16,600	.06	.06	.05½	.05½
.	.00¾	.00½	Dominion Kirk...	1,000	.00½	.00½	.00½	.00½
1	.04	.00½	Don Rouyn......	3,000	.03	.03½	.03	.03½
.	.04	.03	Duparquet.......	5,200	.03	.03	.03	.03
1	1.60	.76	Eldorado........	25,615	1.40	1.45	1.38	1.35
No	2.40	.47	Falconbridge.....	21,115	1.60	2.40	1.60	1.95
1	.04	.00¾	Federal.........	2,000	.02	.01½	.01	.01
No	.00½	.00¾	Flintoba........	......	.00¾	.....	.....	.....
No	.07	.00¾	Gem. Lake.......	......	.01½	.....	.....	.....
1	.03	.00¾	Goldale.........	1,000	.01¾	.01¾	.01¾	.01¾
10	.24	.05½	Goldfield........	......	.22	.....	.....	.....
1	.00½	.00½	Gold Hill........	......	.00½	.....	.....	.....
1	.04	.02½	Goodfish........	4,000	.03	.03	.03	.03
1	.03½	.00¾	Graham.........	3,500	.01½	.01½	.01	.01½
1	1.25	.50	Granada........	4,500	.72½	.88	.75	.88
1	.22	.06	Grozelle........	......	.09	.....	.....	.....
1	.02½	.01	Harker.........	11,000	.03½	.03½	.02½	.02½
1	.01½	.00¾	Hilltop.........	28,000	.01	.01½	.01	.01
5	5.80	4.25	Hollinger.......	7,570	5.40	5.50	5.35	5.45
1	.72	.26	Howey Gold.....	29,110	.67	.67	.62	.62
No	5.30	.92	Hudson Bay.....	5,240	3.70	4.55	3.65	4.00
No	.20	.13	Huronian.......	......	.13	.....	.....	.....
No	13.50	4.00	Int. Nickel......	45,261	9.50	11.87	9.50	10.50
1	.01½	.00½	Jackson Manion .	5,500	.01	.01½	.01	.01½
1	.25	.20	Keeley.........	500	.20	.22	.22	.22
1	.02½	.00½	Keora Mines....	24,500	.01½	.02	.01	.02
1	.70	.40	Kirk. Hud. Bay..	2,850	.50	.57	.55	.57
1	.02½	.00½	Kirk. Hunton...	6,500	.00¾	.01	.01	.01
1	.55	.19	Kirkland Lake...	31,100	.32	.34	.31	.33
1	.08½	.00½	Kirkland Premier	4,000	.01½	.01½	.01½	.01½
1	.13	.05	Kirk. Townsite...	6,800	.08½	.08½	.07	.07½
20c	.01½	.00½	Koot. Florence...	1,000	.01	.00¾	.00¾	.00¾
1	.01½	.00¾	La Rose.........	......	.01½	.....	.....	.....
1	.41	.14	Lakeland........	......	.25	.....	.....	.....
1	30.25	24.90	Lake Shore......	4,770	28.75	30.00	28.25	29.50
1	.00½	.00½	Laval...........	......	.00½	.....	.....	.....
1	.07	.01½	Lebel Oro.......	2,500	.02½	.02	.01½	.02
1	.41	.13	Macassa........	34,200	.22	.22	.20	.20
1	.07	.02½	Malartic........	6,500	.04½	.04	.03	.04
1	.02½	.00½	Malrobic........	153,000	.01¾	.02½	.01½	.02½
No	.08	.02	Mandy..........	......	.06	.....	.....	.....
No	.02	.00½	Manitoba Basin..	17,000	.01	.01½	.01	.01
5	21.35	14.70	McIntyre........	1,745	18.00	18.55	18.05	18.50
1	.35	.25	McKinley........	......	.30	.....	.....	.....
No	.09½	.02½	McLeod River...	51,000	.04½	.05½	.04½	.04½
No	1.85	.58	Mining Corp.....	5,130	1.55	1.60	1.48	1.50
1	.08½	.01½	Moffatt Hall.....	19,700	.03	.03	.02½	.02½
1	.02½	.02	Monets.........	......	.02	.....	.....	.....
1	.45	.19½	Moss...........	20,400	.30	.37	.32	.35
1	.02½	.00½	Murphy.........	85,000	.01¾	.01½	.01	.01½
No	.06	.01	Newbec.........	20,666	.04	.04½	.03½	.04½
5	1.48	.50	Nipissing........	6,060	1.20	1.35	1.21	1.25
No	23.25	12.50	Noranda........	19,446	19.50	21.90	19.50	20.75
No	.33	.10	Nor. Canada.....	20,100	.30	.33	.29	.31
No	.01	.00½	Old Colony......	......	.00½	.....	.....	.....
1	.09	.05	Osisko.........	1,000	.09	.08	.08	.08
1	.17	.07	Parkhill........	4,600	.16½	.16½	.14	.14
1	.13½	.11	Patricia Dent....	......	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk.....	......	.01½	.....	.....	.....
No	1.25	.85	Pend Oreille.....	5,740	.90	1.00	.90	.90
1	.01½	.00½	Peterson Cobalt..	500	.01	.01	.01	.01
1	4.25	3.00	Pioneer Gold B.C.	2,433	3.85	3.92	3.75	3.75
1	.00¾	.00½	Porcupine Crown.	......	.00¾	.....	.....	.....
1	.02	.00¾	Potter Doal......	......	.01	.....	.....	.....
	.12	.12	Powell Rouyn....	......	.12	.....	.....	.....
1	.75	.32	Premier Gold....	12,940	.62	.60	.57	.60
1	.00¾	.00½	Preston E. Dome.	......	.00¾	.....	.....	.....
No	.30	.15	Prospectors Air's.	......	.18	.....	.....	.....
No	1.00	1.00	Quebec Pros.....	......	1.00	.....	.....	.....
No	.10	.03	Quemont........	......	.08	.....	.....	.....
1	.02½	.00½	Ribago..........	18,000	.01¾	.01¾	.01	.01
1	.02½	.01	Ritchie.........	1,500	.01½	.01½	.01½	.01½
1	.01¾	.00½	Robb Montbray..	......	.01½	.....	.....	.....
1	.70	.25	San Antonio.....	5,216	.65	.66	.68	.66
1	.09	.07½	Seven Troughs...	......	.07½	.....	.....	.....
1	.77	.18	Sherritt Gordon..	68,855	.54	.70	.50½	.55
1	1.00	.50	Siscoe..........	41,205	.89	.90	.87½	.87½
1	.06½	.00½	South Keora.....	32,250	.03	.06½	.03	.05½
No	.02½	.00½	Stadacona.......	25,300	.02½	.02½	.02½	.02½
1	.17	.05	St. Anthony.....	500	.07½	.07	.07	.07
No	.90	.16	Sudbury Basin...	9,790	.70	.85	.70	.70
1	.02½	.00¾	Sudbury Contact.	......	.02½	.....	.....	.....
1	.01	.00½	Sudbury Mines...	......	.00¾	.....	.....	.....
1	.22	.07	Sullivan........	9,500	.16	.16	.15	.15
1	.87	.39	Sylvanite........	8,765	.73	.78	.74½	.77
1	.07	.01	Tashota.........	30,000	.02	.02	.01½	.01½
1	5.25	3.10	Teck Hughes....	35,435	3.33	3.40	3.20	3.29
1	.07½	.02	Thom. Cadillac..	7,300	.05½	.06	.05	.05½
1	.40	.10	Towagmac.......	1,100	.30	.25	.21	.25
1	3.00	1.01	Treadwell.......	700	2.00	1.95	1.95	1.95
1	.09½	.02	United Kirkland.	......	.05	.....	.....	.....
1	.10	.00½	Vacuum Gas.....	67,850	.08½	.10	.07	.08½
No	1.10	.16	Ventures........	67,510	.70½	.92	.70	.80
1	.18	.04	Vickers.........	3,000	.15	.15	.14	.14
1	.45	.10	Vipond.........	1,900	.25	.28	.28	.28
No	1.01	.25	Waite Ackerman.	400	.60	.60	.60	.60
1	.06	.01	White Lake......	4,000	.04½	.05½	.04	.05½
1	.01	.01	Wiltsey Coughlan	......	.01	.....	.....	.....
	.10	.04½	Wood Kirkland..	2,100	.07	.09	.07	.07
No	3.15	2.09	Wright-Hargreaves	8,400	2.90	2.99	2.86	2.91
			OIL STOCKS					
No	.18	.07½	Acme Gas & Oil..	5,800	.15	.14½	.13½	.13½
1	1.17	.60	Ajax...........	2,450	.90	.90	.85	.85
1	.18	.04½	Alta. Pacific.....	550	.15	.12	.12	.12
1	.03½	.02	Askalta.........	......	.03½	.....	.....	.....
No	.20	.02½	Associated......	17,090	.11	.12	.10	.11
No	.09	.01	Baltac..........	2,000	.04	.04	.03	.03
	.05½	.00½	Benton.........	......	.00½	.....	.....	.....
1	.03	.02½	Brit. Dominion...	......	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed....	340	.40	.50	.40	.40
1	.15	.04	Calmont........	1,050	.06	.08	.07	.07
1	.14	.03	Common. Pete...	400	.07½	.08	.07½	.08
No	.40	.03½	Dalhousie.......	900	.20	.25	.20	.20
No	.01	.01	Devenish........	......	.01	.....	.....	.....
No	.02	.00½	Dome Oil........	......	.00½	.....	.....	.....
No	.16	.04	East Crest.......	2,000	.10	.12	.10	.10
No	.01½	.01½	Fabyan Pete.....	......	.01½	.....	.....	.....
No	.25	.06	Foothills........	500	.20	.15	.15	.15
No	.03½	.02	Freehold........	......	.02	.....	.....	.....
1	.02	.00½	Great West......	......	.00½	.....	.....	.....
No	.05½	.03	Hargal.........	......	.03	.....	.....	.....
No	.05	.02	High Sarcee.....	......	.02	.....	.....	.....
No	.85	.15	Home...........	3,205	.48	.52	.50	.50
No	.05	.01½	Homestead......	......	.01½	.....	.....	.....
1	.50	.09	Homestead O & G.	37,050	.23	.24	.21	.23
1	.01	.00½	Illinois Alberta...	......	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge......	......	.00½	.....	.....	.....
No	.10	.04	Lowery.........	......	.10	.....	.....	.....
No	.02	.00½	Madison........	......	.00½	.....	.....	.....
1	.32	.05½	Mayland........	100	.21	.24	.24	.24
No	.04	.01½	McD. Segur Ex...	......	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N....	......	.01	.....	.....	.....
1	.50	.18	McLeod.........	......	.18	.....	.....	.....
No	.10½	.06½	Mercury........	......	.07½	.....	.....	.....
No	.22	.04½	Merland........	3,400	.16½	.19	.16	.19
No	.15	.08½	Mill City Pete....	......	.08½	.....	.....	.....
1	.20	.12½	Model..........	......	.13	.....	.....	.....
1	.05	.04	Monalta........	......	.05	.....	.....	.....
1	.07	.03	Moose Mountain.	......	.03	.....	.....	.....
1	.01	.01	New Federal.....	......	.01	.....	.....	.....
5	.14	.01	Nordon.........	5,200	.07	.09½	.07½	.08½
No	.06	.02	Oil Selection.....	40,500	.04½	.05½	.04½	.04½
No	.05	.02½	Okalta.........	......	.03	.....	.....	.....
100	15.00	15.00	Do., Pref.......	......	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil...	5,500	.17	.17	.15	.16
No	.20	.02	Penn. Pete......	200,550	.13½	.14½	.10	.13
No	20.00	20.00	Perfection Pete, Pfd.....	......	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas.	500	.16	.16	.16	.16
No	.14	.08	Ranchmen's.....	......	.09	.....	.....	.....
1	.01	.00½	Regent.........	......	.00½	.....	.....	.....
No	.02½	.01	Richfield........	......	.01	.....	.....	.....
No	9.85	3.95	Royalite........	800	8.00	9.00	8.00	9.00
1	.29½	.05	Sarnia Oil......	3,600	.15	.15	.15	.15
1	.03	.01	Signal Hill......	......	.01	.....	.....	.....
.	.12	.06	South West Pete.	......	.06	.....	.....	.....
1	.20	.10	Spooner........	......	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific...	600	.13½	.18	.16	.16
1	.11	.07½	Turner Valley....	......	.07½	.....	.....	.....
No	.08	.03	United.........	......	.03	.....	.....	.....
1	.09½	.03	Vulcan.........	......	.03	.....	.....	.....
No	.02½	.00½	Wainwell.......	7,300	.01½	.02	.01½	.01½
			VANCOUVER STOCK EXCHANGE (Transaction for Week to September 20)					
25c	.00¾	.00½	Bayview........	......	.00¾	.....	.....	.....
20c	.05½	.03½	Beaver Silver....	......	.03¾	.....	.....	.....
25c	.04	.01	Bluebird........	......	.03	.....	.....	.....
.	.81	.70	Bralorne........	2,517	.75	.81	.70	.75
1	.12	.04	Bridge River Cons.	22,000	.06½	.05½	.05	.05
25c	.01½	.01	Cork Province...	......	.01	.....	.....	.....
1	.13	.02	Cotton Belt.....	1,000	.04	.04	.04	.04
.	.01½	.01½	Dalhousie Mines.	......	.01½	.....	.....	.....
1	1.00	.15	George Copper...	400	.50	.70	.55	.70
50c	.02	.01	Geo. Enterprise..	......	.01	.....	.....	.....
1	.05	.02	Georgia River....	15,000	.02½	.02½	.02½	.02½
1	.35	.10	Golconda.......	......	.25	.....	.....	.....
50c	.08	.02	Grandview......	7,700	.05½	.05½	.05	.05½
1	.01	.00½	Independence....	......	.00½	.....	.....	.....
1	.01½	.01	Indian Mines....	......	.01	.....	.....	.....
1	.12	.08	Inter. Coal......	4,500	.10	.11½	.11½	.11½
1	.21	.21	Jack Waite......	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King...	......	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim.......	......	.03½	.....	.....	.....
5	.12	.04	Metaline Metals .	......	.07	.....	.....	.....
1	.03	.00½	Morton Woolsey.	......	.01½	.....	.....	.....
50c	.03½	.00½	National Silver...	37,000	.02½	.02½	.02½	.02½
50c	.08½	.02	Noble Five......	3,900	.05	.05½	.04½	.04½
50c	.01	.00½	Oregon Copper...	......	.00½	.....	.....	.....
1	4.11	3.00	Pioneer Gold.....	925	3.95	3.85	3.82	3.85
50c	.08½	.02	Porter Idaho.....	......	.06½	.....	.....	.....
No	.01	.00½	Premier Border...	......	.00½	.....	.....	.....
No	.35	.07½	Reeves McDonald	300	.20	.20	.20	.20
1	.60	.21½	Reno Gold.......	6,700	.51	.55	.50	.55
.	.02½	.01½	Rufus Argenta...	......	.01½	.....	.....	.....
1	.05	.02½	Ruth Hope......	5,000	.04	.04	.03½	.03½
1	.05	.02½	Silverado.......	......	.05	.....	.....	.....
25c	.02½	.01	Silver Crest.....	......	.01½	.....	.....	.....
50c	.02¾	.00½	Snowflake.......	10,500	.01½	.01½	.01½	.01½
1	.79	.60	Sunloch........	......	.75	.....	.....	.....
20c	.02½	.01	Wellington......	......	.02	.....	.....	.....
1	.06½	.00½	Whitewater......	......	.06	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil..............	12c.	....	Petrol Oil...........	1c.	....
Coniaurum...........	3c.	....	Premier.............	12c.	.20
Dome Mines.........	$1+10c.	8.46	Pioneer, B.C........	12c.	3.20
Hollinger............	65c.	11.92	Royalite.............	50c.	....
Howe Sound.........	40c.	....	Siscoe..............	4c.	....
Lake Shore..........	$2+50c.	8.47	Sterling Pac. Oil.....	2½c.	....
McIntyre............	$1.50	8.10	Sylvanite...........	4+½c.	5.84
McLeod Oils.........	5c.	....	Teck Hughes........	60c.	18.23
Noranda.............	50c,	2.41	Wright-Har..........	10+2½c.	4.29

WINNIPEG ASSERTS NO SUPPORT HERE FOR WHEAT PRICES

Free Market Enables Canada to Seize Lion Share of Exports

From Our Own Correspondent

WINNIPEG.—The way in which the price of wheat hovers close to fifty cents a bushel has suggested the possibility of artificial support to the market, akin to that which was given during the past year, on behalf of the Dominion government, in order to prevent it going below that level.

But every one connected with the market is quite sure that there are no signs of any government directed activity in the wheat pit. There is, however, an inclination to believe that there has been artificial suppport of the Chicago market, which steadily holds at prices above world levels to such an extent as to inhibit practically all export of United States wheat, except where special kinds, such as durum, may be in especial demand, or where habits of purchasers abroad, either of wheat or of flour, result in a certain disregard of comparative prices.

No Ulterior Motive

Sometimes that support is attributed to political reasons, in view of the coming elections, and sometimes to a desire to exercise a favorable influence on the course of stock market prices, by advancing, or at least preventing a decline in the price of wheat. But it is not necessary to attribute ulterior motives to the buying which goes on in the United States, which may quite well be based on a belief in higher prices later on. True, that country had a great carryover of wheat into this crop year, but its production in 1932 was barely equal to domestic needs, and very limited exports will bring it out at the end of the year with a somewhat reduced carryover.

In the meantime United States farmers are helping the market by restricting their deliveries for the moment.

Canada Selling to Britain

The general market situation remains the same from week to week, with Canada doing the bulk of the world's exporting, getting rid of a good deal more wheat than at the corresponding time last year, in spite of the fact that world shipments are at a very low level. The bulk of our sales shipments are to Great Britain, where millers are using probably a greater percentage of Canadian flour than ever before. This may turn out in the long run to be very useful, for British millers last year had got along with very small quantities of Canadian wheat, and British bread was generally reported to be of a very inferior quality.

There is no occasion now to use chemical improvers as a substitute for Canadian hard wheat in the milling mix, as was done when Canadian wheat was high in price. It is quite possible for the large use of Canadian wheat in British bread to be creating a demand for quality in bread and in flour which will continue.

Britain is buying mainly No. 2 northern wheat, a fact which is rapidly reducing the excessive stocks of that grade, which during a large portion of the previous crop year, was almost unmarketable. To a considerable extent we are selling old crop instead of new crop wheat, and the stocks on hand are rapidly coming to reflect the high grading of this year's production.

Germany Interested

Germany is interested in our one hard, for although she is exporting some of her surplus soft wheat, this is done under the permit system, which allows hard wheat for mixing purposes to be brought in, in substitution, free of duty. Purchasers there want the highest quality they can get, when it is so difficult to obtain foreign wheat.

A similar situation does not prevail in France, where, owing to the expiration of the late commercial treaty, Canadian wheat is subject to a much higher duty than wheat from the United States, there is no inquiry for Canadian wheat. At the moment this is not very important, for only three per cent of foreign wheat is currently allowed to be included in French flour, but it may become important later.

The Scandinavian countries, Belgium, Holland and Switzerland are all buying some, although not very large quantities of Canadian wheat. As the pressure from new domestic marketings relaxes, they are expected to show greater interest. There have been some Canadian sales to the Orient, but of so limited a nature as to suggest that China and Japan may be able to get along with very limited purchases of foreign wheat until Australia with the harvesting of a new crop is again in a position to offer in quantity.

Russian Offerings Low

Russia, so far, has shipped about 5,000,000 bushels of wheat since the opening of the crop year, or not much more than a tenth of her offerings in the corresponding time last year.

Each report of European conditions makes more emphatic that the great importing countries, France, Italy and Germany, have all had remarkably fine crops this year, while the Danubian countries, which usually produce a large surplus, have no more than enough to feed themselves.

CAN. WINERIES DEFERS DIVIDEND THREE MONTHS

May Consider Resumption Later on Semi-Annual Basis

In deciding to defer declaring the quarterly dividend ordinarily due on October 15, 1932, on the common stock of Canadian Wineries, directors intimate that resumption on a semi-annual basis later will be under consideration. It is understood that the dividend has been earned to date this year, but it is felt that while the present rate of 20 cents annually continues it is better both for shareholders and company to pay less frequently. If the present rate continues this would mean 10 cents a share twice instead of 5 cents a share four times yearly.

Operating profits during the summer months have been somewhat above those for the same period of 1931. Operating economies are believed to have been responsible for this improvement, rather than increase in sales.

As this is the great grape-buying period, this company and other wine-making companies have the greatest need of working capital just now. This has doubtless something to do with the decision not to pay the quarterly dividend. The amount necessary to pay the dividend is very small, compared with the company's total working capital requirements, but directors would rather pay dividends in a part of the year when bank loans have been paid and grape crops paid for.

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Telegraph Systems' Revenue $2,500,000 Lower in 1931

Gross revenues of telegraph and cable systems operating in Canada showed a further decrease in business and in revenues during 1931. Gross revenues amounted to $11,641,799 as against $14,264,997 in 1930 and $16,256,441 in 1929.

Net revenue, however, was only $920,780 as against $2,473,706 in the previous year and the net corporate income of all systems showed a debit of $495,150, whereas in 1930 it was credit of $1,381,308.

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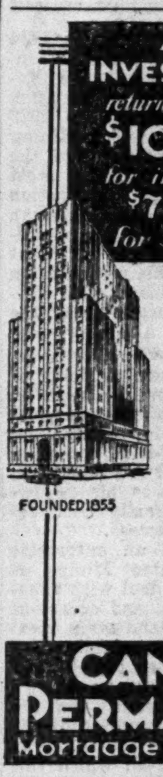

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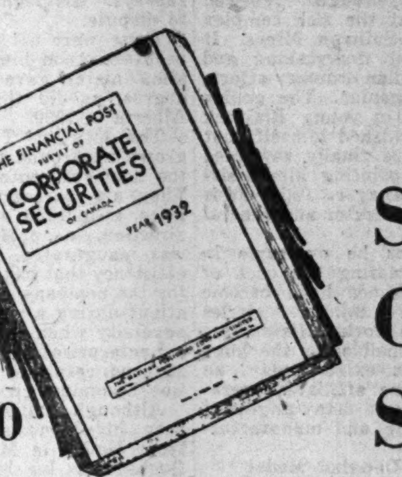

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7. Balance sheets and earnings statements for 1931, 1930 and 1929.
8. Price range of stocks for 1931, 1930 and 1929.

Facts covered include: Earnings statements and balance sheets for 1931 compared with those of 1930 and 1929; details of each bond issue; whether interest is payable in Canadian, New York or sterling funds; times bond interest earned, etc.

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Canadian Mining News

W. HARGREAVES NEW DEEP WORK ADDS MUCH ORE

Production High — Earnings May Reach 30 Cents a Share

1,000 TONS BY SPRING

Rehabilitation Programme Goes on—Economies May Pay Entire Construction Costs First Year

With current production at an annual rate of over $3,600,000 and with the 1932 output estimated at close to this figure, some indication is given of what can be expected from Wright-Hargreaves Mines when the company completes its rehabilitation programme that has been under way for several months past.

The company has been steadily treating just over 800 tons daily throughout the current year as compared with a daily average of 740 tons last year and as compared with 710 tons in 1928, the peak year before the present development and rehabilitation programme was inaugurated. While the mine development proceeded towards greater ore reserves the daily average dropped to as low as 300 tons during 1929, but averaged 525 for that year. In 1930 the daily average was brought up to 615 tons to establish a new record annual recovery of $2,431,896 which was again exceeded last year.

Comeback Rapid

The comeback of this property, which started production in 1921, is one of the bright spots in Canadian gold mining and now that further expansion is continuing with a view to 1,000 tons daily by next spring, increased profits are an obvious hope. Just what 1,000 tons daily capacity will mean for shareholders in the way of increased earnings does not defy analysis. Recovery this year has been close to $12 per ton as compared with about $11 the two previous years. Operating costs last year, including 67 cents per ton for ore developments in excess of milling requirements and depreciation of 24 cents per ton, were $6.72 per ton. On the basis of these figures the 1932 net profits promise to be over 30 cents per share as compared with 21 cents last year. When the full effects of the increased mill capacity are demonstrated next year, having regard for the economies likely to take place and assuming that the present grade of ore is maintained, it is not unreasonable to expect that earnings will be close to a 40 cents per share rate.

Shaft to 4,000 Feet

As a prelude to an increased tempo of production, No. 4, a new main shaft, was started about a year ago with an immediate objective of 3,000 feet. At the present time shaft sinking is near this horizon but it will not be stopped there; instead it will be pressed forward at the same rapid rate to a 4,000 foot objective by the date of the annual meeting of shareholders on February 28 next.

As soon as the No. 4 shaft is completed to the 4,000-ft. horizon the No. 3 shaft will also be deepened to the same level and the two shafts connected. At the present time drifting is proceeding on the north or No. 2 vein on all intermediate levels above the 3,000-ft. horizon. This work is meeting with most encouraging success, particularly on the deeper levels. Here developments have been largely in ore averaging from five to seven feet in width and assaying over $20 per ton in gold, some sections much higher, over great lengths of the drift. At last reports the drift has been advanced to within about 1,200 feet of the easterly boundary of the property. The 2,450 foot and the 2,700 foot levels have been advanced a lesser distance but were about 50 per cent in ore. While some good ore has been found in the south vein system on the 3,000 foot level it has not responded in the same manner as has the north vein.

Big Block Delimited

The big block of ore that has been opened up by developments the past few months has meant a completely changed picture for the property and the annual report covering this year's operations may be expected to reflect very substantially increased ore reserves over those reported last year when 753,510 tons, or about two and one-half year's supply for the present mill were estimated.

The process of rehabitating the present mill for 1,000 tons by next spring will mean that the present wooden super structure will be replaced with steel. The roof and much of the timber is in a bad state of repair. Reconstruction will have to go on with as little interruption of the milling programme as possible. A feature of the new structure will be that it will occupy much less space than required as a flotation process, developed by Wright-Hargreaves engineers will supersede the present process. Much new equipment will be required by the new plant and there will be replacements of present equipment but in so far as possible all existing machinery will be used. Officials pin great hopes on the economies promised by the new flotation process.

First Year Pays For Plant

They have had a 20-ton experimental unit in operation for many months and results have led them to expect that in treating 1,000 tons daily close to $175,000 annually will be recovered that is at present lost in the tailings. That is, the mill reconstruction will be paid for in the first year of operation.

The total expenditure planned by M. W. Summerhayes, general manager of the company, is close to $550,000. While approval has been given for this expenditure the entire amount will not be spent on the present programme. It is known that it is not planned to restrict the rehabilitated plant layout to 1,000 tons daily, and that the eventual size will be controlled only by the success enjoyed in developing ore.

Mining Personages in Canada

SELWYN GWILLYN BLAYLOCK, B.Sc., LL.D.,
Mining and metallurgical engineer, vice-president, director and general manager of The Consolidated Mining and Smelting Co. of Canada, Ltd.

Research By S. G. Blaylock Big Contribution to Mining

Solved Problem of Treating Complex Lead-Zinc Sullivan Ore—Success Gave Him Renown and Consolidated Smelters Revenue

Big men make big enterprises and one of the biggest mining and metallurgical enterprises in Canada is the Consolidated Mining & Smelting Co., which has its principal operations at Trail, British Columbia. The meteoric growth of this company to be one of the world's largest lead and zinc producers with an output of these metals in 1931 that was approximately nine per cent of the world's total, was more than the result of finding the famous Sullivan Mines; it was the result also of finding a man who could treat its ore profitably. This property was first staked in 1892 and its potentialities early attracted attention. It was a rich ore, rich in lead and zinc, silver, gold and cadmium, but it was of such a complex nature that it baffled mining engineers and caused more than one company to fail in solving the intricate metallurgical problems it presented for successful treatment.

Is a McGill Graduate

In 1899 in his twenty-first year, there graduated from McGill University a young mining and metallurgical engineer, by the name of Selwyn G. Blaylock, the son of a clergyman.

In those days British Columbia was the centre of the mining and metallurgical operations in Canada, and immediately upon receiving his B.Sc. degree he proceeded to Trail where he became assayer for a smelting enterprise that was a forerunner of the present Consolidated Mining and Smelting Co. organized in 1906. The birth of the big company brought renewed efforts to treat the rich complex ore from the Sullivan Mines. It was a difficult undertaking and required more than ordinary effort; it required a genius. The genius came to light in young Blaylock who so distinguished himself that his efforts were finally rewarded in 1911 by appointing him assistant general manager. Today he is vice-president, director and general manager.

The obstacles he overcame in successfully treating the ores of the Sullivan Mines have become legendary in mining circles throughout the world. His success has been responsible for the huge enterprise that exists today, an enterprise whose affiliated operations now embrace many angles of mining, refining and manufacturing.

Awarded Douglas Medal

The mining and metallurgical world was watching the progress being made in solving the treatment of the Sullivan ore. In 1924 the University of Toronto conferred on Mr. Blaylock the McCharles Prize for outstanding work in Canadian metallurgy. In 1928 the American Institute of Mining and Metallurgy awarded him the James Douglas medal, the most coveted metallurgical distinction in the world and the American hall mark of non-ferrous metallurgy. It is interesting to note that on the occasion of this presentation he occupied the platform with Herbert Hoover, now president of the United States, also a mining engineer of world renown.

As might have been expected of a man of this calibre, on such an occasion, he disclaimed personal credit for the achievements that had brought world-wide attention and said he accepted it as a tribute not to himself but to his fellow-workers who had really been responsible for the success.

An executive of an enterprise like the Consolidated Mining & Smelting Co. must deal with thousands of employees, and occasions come up which demand stern measures. Mining and metallurgical operations of the scope of Consolidated Smelters bring together a complex mass of humanity that are at times as difficult to handle as were the ores of the Sullivan Mines. The manner in which this executive has welded together a fully integrated unit is a further tribute to his genius. He has been as successful in settling labor disputes as in solving metallurgical problems. He is monarch of all he surveys. His right there is none to dispute.

These were not the only honors bestowed upon him as in 1929 his alma mater gave him an LL.D. degree, as did the University of Alberta in 1930.

The city of Trail which has grown up around the enterprise is the home of contented employees. They are partners in the enterprise, as in 1920, at Mr. Blaylock's direction, a profit-sharing plan was inaugurated, which led to an efficiency that has made it possible for the company to continue operations during a period of economic adversity when similar metallurgical enterprises have been forced to suspend, resulting in the communities becoming ghost towns.

Although British Columbia has been his home since graduation from McGill in Montreal in 1899, Quebec was his birthplace. Trail, B. C., the community he has had such an important part in building up, is his home.

Macassa Finds Ore South of Main Break

To facilitate its deep development programme the Macassa Mines has purchased a 1½ ton storage battery locomotive which makes it necessary to strengthen the drifts and relay the tracks.

In the crosscut 70 ft. south of the main drift on the 2,475 ft. level a vein about 5 ft. in width was encountered and drifting is now under way with the face of the drift in some 20 ft. Some high values were encountered and officials estimate that as far as the drift has progressed better than commercial ore has been averaged. Two raises about 400 ft. apart above the main drift have also encountered ore.

Pend Oreille Mines Calls Meeting For October 7

Shareholders of Pend Oreille Mines and Metals Co. are in receipt of a notice calling a special general meeting of the company to be held at Spokane, Wash., on Oct. 7, for the purpose of ratifying a change in capital structure.

It is proposed that the present authorized capitalization of 3,000,000 shares, of no par value, be changed to a like number of $1 par value shares, in order to reduce transfer tax and corporation tax charges.

The company was incorporated in the state of Washington and operates a lead-zinc property on the Pend d'Oreille River just south of the Canadian boundary. Although a Washington incorporation the shares of the company are largely held in Canada.

Smelters Enlarging Fertilizer Storage

Storage facilities at the fertilizer plant of Consolidated Mining and Smelters at Warfield are to be augmented by a 6,000 ton addition. This will increase the fertilizer storage plant to 66,000 tons capacity.

Work has just been started on the new structure and it will be completed in early winter in order to take care of the heavy storage demand for fertilizer just before the drilling season next year.

The annual report is to be presented at the meeting and officers and directors elected.

Rhokana Corp. to Retire Outstanding Debentures

Shareholders of Rhokana Corp., whose properties in Northern Rhodesia include those formerly held by the Bwana M'Kubwa Copper Mining Co., held a meeting on Sept. 21, increasing the authorized capitalization from 2,000,000 to 2,520,000 ordinary shares of £1 each. The new issue of 520,000 shares together with the 571,411 unissued shares will be applied to retiring the outstanding debentures of the company. For purposes of retirement a price of £120 has been placed on the debentures and one ordinary share will be given for each £5 of debentures.

GREAT BEAR LAKE OFFERS PROMISE, IS GUARDED VIEW

Returning Engineers Aver Possibilities Bright But Overrated

ELDORADO IS BUSY

Shipments of Silver Ore Not on Par With Cobalt But Radium Ore Plentiful

"A big country and a great field for the prospector," is the tribute being paid to the Great Bear Lake area by eminent mining engineers, returning after a summer spent in Canada's newest and most northerly mining camp.

The third summer season of prospecting was largely brought to a close with the suspension of aerial transportation by pontoon equipped aeroplanes. The summer flying season opened this year on June 21 when "Punch" Dickens, veteran pilot of Canadian Airways, landed in Echo Bay with his pontoon equipped aeroplane. The closing of the season early in September thus ended about 10 weeks of activity which at times engaged over 300 men.

As evidence of the staking activity in the area it is interesting to note that at the end of last season there had been staked about 600 claims, while to the end of July this year over 3,000 claims had been staked and the area for a radius of about 15 miles from LaBine Point had been completely blanketed. Some small parties will stay in the area throughout the coming winter season and the Eldorado company will maintain a full working crew on its underground operations.

This season the area took on the appearance of an established mining camp, as hundreds of prospectors and men interested in mining came to the area. The remoteness of the area and the cost of transportation was not an effective barrier to stem the tide of interest that the finds have created. The adequacy of aeroplane transportation was well demonstrated this season. It was a popular though expensive route followed by the majority. Water transportation facilities provided by the Hudson Bay Co. were augmented by some private interests with boats of their own and while the water route was slower it provided a reliable service for men, supplies and even heavy equippage for more serious mining.

Not Lacking Transportation

This, the third summer that the area has been prospected, clearly demonstrated that it is not suffering from lack of transportation, at least not at the present stage of development. In addition to the many tons of supplies delivered were about 80 tons of crude oil from the Fort Norman wells of the Imperial Oil Co. delivered to the Eldorado Gold Mines as fuel for its Diesel Engine mining plant. Returning boats provided facilities to ship out such ore as was available, but as yet the shipment of ore has not presented any transportation problem, operations being confined almost entirely to prospecting, except at the site of the original find at La Bine point by the Eldorado Gold Mines.. This company has altogether shipped approximately 70 tons of ore. About 20 tons of high grade radium ore were shipped out last season for testing purposes, while this season approximately 38 tons of radium ore and 12 tons of high grade silver ore were bagged and shipped.

The silver ore has been consigned to the Trail smelter of Consolidated Mining & Smelting Co., while the radium ore is consigned to Eldorado's new refinery being equipped at Port Hope, Ont.

Although many camps were established in the area this season the work accomplished except at the Eldorado property was preliminary prospecting. The Consolidated Mining & Smelting Co. was the only company to undertake diamond drilling although farther north at Dismal Lakes the N. A. M. E. operated a drill testing its bornite find made three years ago.

Many Engineers in Field

Among the parties visiting the area this season were a number of geologists and mining men of repute, including Prof. Cameron, of University of Alberta, Dr. Kidd, of the Mines Department of Ottawa, and many well-known geologists and mining engineers employed by private interests. The concensus of those interviewed by The Financial Post is that this area has great possibilities and that it will take more than three summers of prospecting to appraise its commercial potentialities. That there were no outstanding developments of importance this year was an obvious disappointment to engineers who had hoped this season would bear greater fruit. Many finds including gold, silver and radium ore were reported, but the limited facilities and short season offered but little opportunity for adequate examination of the showings found. One engineer went so far as to say that the importance of the development in the area to date had been grossly exaggerated in the press and that apart from the work done by Eldorado and Consolidated Smelters there is very little evidence of any worth while finds. Most of the camps, he said, reported some kind of find or other, but that talk of the area being another Cobalt was not borne out by this season's work.

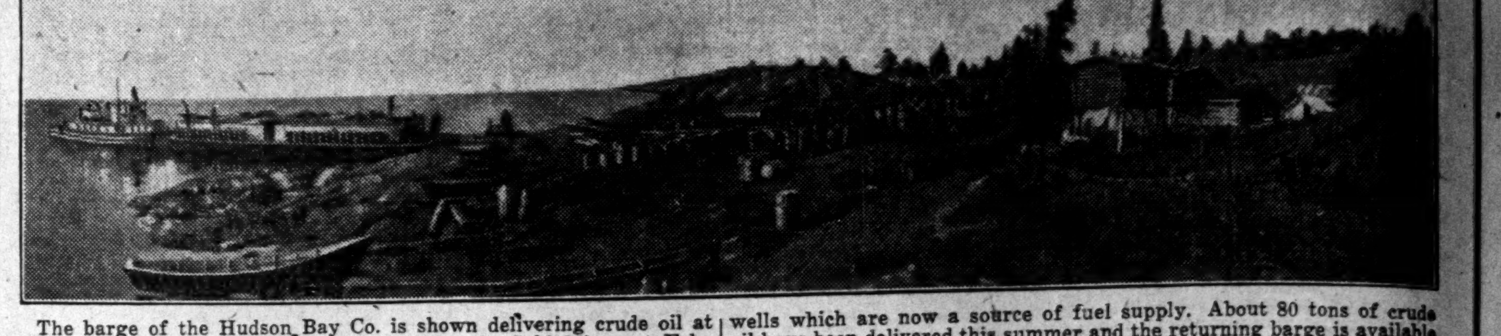
Diamond drilling at the Consolidated Smelters claim has not been made public. At the B. E. A. R. claim surface exploration was undertaken to open up a silver and radium ore find, while later a tunnel was started into the hillside in an effort to intersect the showing at depth.

Not Comparable to Cobalt

At the Eldorado property work was principally centred on the development of the No. 2 vein, at La Bine Point, although some work was done on the company's Bonanza claims. Upon arrival of the Diesel Engine mining plant early in August tunnelling was aggressively undertaken to intersect the No. 2 vein at depth and at the present time the tunnel has been advanced about 35 feet from the portal. Of the 12 tons of high grade silver ore bagged and shipped little is known other than that it is high grade and believed to be at least 5,000 ounces to the ton. One geologist who visited the area said there is no denying that the evidence of radium ore was the most significant of anything found on the continent to date, but that the silver ore, while high grade, was patchy and he made reference to the fact that in the first three years of activity at the Cobalt camp much greater progress had been made. In 1904 Cobalt shipped 158 tons assaying 1,309 ounces of silver per ton. In the second year it shipped 2,144 tons assaying 1,143 ounces per ton, and in the third year shipped 5,335 tons assaying 1,013 ounces per ton.

He said that while shipments had been restricted to 12 tons there was considerable evidence of lower grade ore, but that its economic importance was uncertain under present production and transportation facilities.

La Bine Point, Echo Bay, Does Not Lack Transportation



The barge of the Hudson Bay Co. is shown delivering crude oil at the site of the main operations of the Eldorado Gold Mines at Echo Bay, Great Bear Lake, N.W.T. A Diesel engine driven mining plant recently installed prompted the Imperial Oil to open its Fort Norman wells which are now a source of fuel supply. About 80 tons of crude oil have been delivered this summer and the returning barge is available for taking out silver and radium ore.

JULIAN PRESENCE WITH FISCAL FIRM AROUSES COMMENT

Better Business Bureau Told No Connection With Stock & Bond Company

The Better Business Bureau of Montreal has sent out bulletins advising the public of the activities of C. C. Julian and his relations with the Stock & Bond Guarantee Co., which is now offering shares in the newly-formed Stanley Siscoe Extension Gold Mines.

There is no connection between the Stanley Siscoe Extension Gold Mines and the well-known Quebec gold producer, the Siscoe Gold Mines. Stanley Siscoe is a director of the latter company and the properties are adjacent but there the connection ends.

C. C. Julian is now in Montreal after several investigations by United States authorities, culminating in an indictment and he is now out on $50,000 bail, according to the Better Business Bureau. Some of his promotions in the United States were: Julian Petroleum Co., of Los Angeles, Calif., New Monte Cristo Mining Co., and C. C. Julian Oil & Royalties Co. of Oklahoma. Julian claims he is in Canada for his health but when interviewed by the Better Business Bureau was at the offices of the Stock & Bond Guarantee Co. He explained that he has no interest in this company and said that David Fingard, the registered owner, was a friend of many years standing. Investigation, however, showed that the lease for the office was signed by Fred Chapman, who was Julian's valet for many years.

Shareholders of Siscoe Gold Mines have been circularized and a pre-offering made of Stanley Siscoe Extension Gold Mines at 30 cents per share, whereas the shares are to be offered to the general public at 50 cents per share.

Companies Act Imposes Duty Upon Officials

The formation of many new mining companies to take over properties of companies that have been quiescent a number of years, has been accomplished with a flagrant disregard for the Ontario Companies Act.

As governments find it increasingly difficult to collect taxes, greater attention is being paid to the enforcement of the Companies Act. Company officials may get a stern reminder that, although their company may be quiescent or without funds, officials and directors can be called upon for annual fees so long as the charter has not been surrendered.

Chapter 33, section 4, of the Ontario Companies Information Act of 1928 requires that annual returns be filed before May 1 of each year. That many company officials are neglecting this duty is evident by the large number of companies that have been relegated to the dormant files at the Parliament Buildings because the act has not been complied with.

So long as the charter of any company is intact, despite the fact that it is without funds or other assets, there is a responsibility by the directors to make annual returns or surrender the charter. The penalty for this omission is $20 per day for each day of default after May 1. A common infraction of the act is for a company to sell its assets to a new company and distribute the consideration received pro rata to the shareholders. The mere fact that the company then has no assets, does not remove the obligation to make the annual returns, so long as the charter has not been surrendered.

A case is called to mind where the Ontario Government obtained a relatively huge judgment against a Toronto lawyer who was a director of a company that failed to make returns. The laxity in this direction at the present time presages other action.

Quebec Gold Output Declines in August

Quebec gold production in August, 1932, showed a decline from the high record reached in May, when the output was 41,802 oz. The principal gold production came from the copper smelting operations of Noranda Mines.

The following are comparative figures for July and August, 1932.

	Aug.	July
Asbestos, tons	9,331	7,171
Gold, oz.	28,000	37,145
Silver, oz.	39,663	50,394

Factors in Judging Mining Investment

Complex Base Metal Ores Offer Problems and Costs of Treatment Are High—Gross Value Misleading

Second Article

By DAVID R. THOMAS

Mining securities are getting more varied as new processes for treating complex ores are developed. The definition of a complex ore for the purpose of this article is an ore that contains more than one base metal. Complex ores were known to exist for a long time, but it is only in the last ten or twelve years that metallurgical processes have been developed that can successfully separate such complex mixtures.

The Sullivan mine of the Consolidated Smelters was staked and partly developed nearly 30 years before a successful process for treating the ore was developed. Then great appreciation took place in the stock. The mineral association of an ore affects the costs and profits materially and the nature of the ore should be studied carefully by the investor before making any commitments in the stock. A common mistake made is to take the gross value of an ore without regard to the mineral association, the metallurgical processes used, or the metallurgical losses sustained.

Cost is Heavy

In this respect a glaring mistake was taking zinc at six cents per pound during the late boom and comparing this gross value, cost and profit, with that of a gold ore of similar gross value that is amenable to treatment.

The cost of refining and marketing base metals is very heavy compared with precious metals. For instance, the cost of refining and marketing gold is almost negligible when expressed in terms of its gross value. The cost of refining and marketing silver is about two per cent of its gross value when the metal sells at fifty cents per ounce. The cost of refining and marketing copper in the form of blister in Eastern Canada is from two and one-half cents to three cents per pound. Roughly, this amounts to 25 per cent of its gross value when copper is selling at 12 cents per pound. When copper is marketed in the form of ore concentrate the cost is considerably more. The cost of marketing much of the zinc in Canada is almost prohibitive except in periods of high metal prices. It may be mentioned that this does not apply to large producers of the metal equipped with electrolytic refineries, of which there are two in Canada, one in British Columbia and the other in Manitoba.

Five Types Cited

It is realized that mineral associations and their treatment is not of much interest to the average investor, but due to the fact that the securities of many companies with complex ores are now on the market, it is advisable to outline briefly the different types and their treatment:

Type A.—Copper-nickel-gold-silver and metals of the platinum group. The initial treatment for this type of ore is smelting. The recoveries of all the metals contained is high.

Type B.—Copper-gold-silver. The treatment of this type of ore is the same as for type A and the recoveries are equally good.

Type C.—Copper-zinc-gold-silver. This is a complex ore and is difficult to treat. The copper and zinc have to be separated before smelting. The recoveries are much lower than in type A and B.

Type D. — Lead-zinc-gold-silver. This is also a complex ore and difficult to treat. The lead and zinc have to be separated before smelting. The recoveries are low as in type C.

Type E.—Copper-iron. This type of ore is rather rare, and is not difficult to treat.

From the above it will be seen that any complex ore containing zinc is difficult to treat and the metallurgical losses are high in all of the metals contained. The investor, therefore, should be careful before making any commitments in securities of a company with complex ore containing zinc. Emphasis is stressed that this article is written entirely from an investor's point of view, admitting that almost anything can be accomplished metallurgically. But an operation may be successful though the patient dies. Small or medium sized mines with complex ores are likely to prove marginal producers. That is, they may make a profit when metal prices are high and close down when metal prices are low.

It may be well to draw attention to the gross value of an ore and for illustration take three types of mines of equal size and gross value of ore, located in a territory where operating costs are uniform.

Mine No. 1. Gold ore amenable to cyaniding.	$	$
Gold per ton		15.00
Oper. costs, taxes & metallurgical losses		8.00
Profit per ton		7.00
Mine No. 2. Gold-copper ore.		
Gold per ton	5.40	
Copper 4% 80 lbs. at 12c.	9.60	
Gross value		15.00
Oper. cost, taxes & metallurgical losses	8.00	
Refining & marketing 80 lbs. of copper at 3c.	2.40	
Total cost		10.40
Profit per ton		4.60
Mine No. 3 Copper-zinc-gold ore.		
Gold per ton	1.00	
Copper 3% 60 lbs. at 12c.	7.20	
Zinc 8.5% 170 lbs. at 4c.	6.80	
Gross value		15.00
Oper. cost, taxes & metallurgical losses	8.00	
Refining and Marketing 60 lbs. of copper at 3c.	1.80	
Refining & marketing 170 lbs. of zinc at 3c.	5.10	
Total cost		14.90
Profit per ton		.10

In actual practice the gold mine should have a larger profit than that shown, and the copper-zinc-gold mine would very likely result in a considerable loss on operation as the metallurgical losses on this complex are not fully taken into account in the above tabulation.

Percentage of Profit Important

The relation of profit to gross value is an important factor. In the large copper mines in the United States 25 per cent of the gross value is considered a satisfactory profit when copper is selling at a normal price. In many Canadian gold mines 50 per cent of the gross value is profit.

Ten Per Cent Insufficient

After treating about 700,000,000 tons of ore, the South African Gold Mines have netted something under 12 per cent, but gold mining conditions are more uniform in South Africa than in Canada. When the profit drops to, say, 10 per cent of the gross value in any kind of a mining venture, the investment is not stable, as changing economic conditions may wipe out the profit. This is particularly true in mines with complex ores, and even in gold mines with fairly large ore reserves, ten per cent of the gross value is not a safe margin for profit.

New Books

Bimetalism and World's Monetary Problem

Under the title "Remedy," T. H. Whitehead with 60 years experience in legal, commercial and exchange banking, attempts to find the solution for the world's monetary economic crisis in the failure to adopt bimetallism.

His thesis is contained in a 32-page pamphlet printed by Blades, East & Blades, London, and apparently has the sponsorship of the Royal Empire Society, whose chairman, Col. Sir Weston Jarvis has written the foreword to the monograph. Mr. Whitehead it is pointed out has had a vast experience in the East and was at one time London manager of the Chartered Bank of India, Australia and China.

The student of the seemingly ever-new bimetallist theory will quickly recognize the customary arguments in its favor, practically all of which are brought forward in this pamphlet. A gold and silver partnership has stood the test says Mr. Whitehead, of "three hundred and ninety-eight years and conclusively demonstrated beyond a shadow of doubt, its thorough fitness and qualifications as a reliable monetary standard." "It is said," he points out, "that Nero fiddled while Rome was burning. The general chaos and mess in which the people find themselves encompassed, demonstrates that the general demonetisation and debasement of silver has proved to be a political blunder unparalleled in enormity. History will be searched in vain until doomsday for its equal."

Those who agree with Mr. Whitehead can procure the pamphlet for 6d.

Index To Mining Stocks

The weighted index numbers of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 59.7 for the week ending September 22, as compared with 60.7 for the previous week.

Eleven gold stocks fell from 56.3 to 56.0, four gold-copper stocks from 80.4 to 77.0, and five silver and miscellaneous stocks from 28.6 to 27.6.

New Brokerage House

A new brokerage house under the firm name of Chambers & Co. has been formed by W. T. Chambers and W. J. Chambers. W. T. Chambers is a member of the Standard Stock & Mining Exchange and a general stock brokerage business will be conducted. The company has opened offices in the Imperial Bank Bldg., King & Bay Sts., Toronto.

Tailings

Officials of Amulet Mines have announced that the bond mortgage due on October 1, 1932, has been extended to January 1, 1933. The total amount of the bonds which have been issued to date, is $150,000. Proceeds have been used for defraying shut down expenses at the property. The company reports about $50,000 cash on hand to meet future expenses.

* * *

Shareholders of Paymaster Consolidated Mines are in receipt of an urgent plea for funds to protect the company from bankruptcy.

The largest creditor holding a note for $20,000 intimates that unless interest due on June last is paid forthwith, he will take steps to declare the company bankrupt.

* * *

Sylvanite Gold Mines, through its exploration subsidiary, Erie Canadian Mines, has taken an option on the Kennedy claims adjoining the Authier property at Kirkland Lake, Ont. The crew is at work conducting surface exploration.

* * *

Shareholders of Miller Independent Mines are in receipt of official notice calling a meeting to be held at Dayton, Ohio, on September 27 to discuss plans for the future.

The company owns a gold prospect of approximately 400 acres in Pacaud township, Boston Creek area, Ontario, on which considerable work was done around 1918 The most recent work was diamond drilling in 1928.

* * *

The Authier claims at Boston Creek are to receive further drilling, according to Douglas Baird in charge of operations.

Recently the Norgold Syndicate drilled one hole to a depth of approximately 800 feet but results were disappointing, and as Norgold had a further payment to make the option was dropped. Visible gold was shown in the core at six or more points.

International Mining Co. Declares Capital Return

Shareholders of International Mining are in receipt of a notice from J. C. Brennan, secretary of the company, that a capital distribution of 7½ cents per share is to be paid on Nov. 1, to shareholders of record Oct. 1. The company was incorporated in Delaware but has been active in exploration activities throughout Canada. S. P. Thomson and H. W. Chadbourne, both directors of Noranda Mines, who figured in the early development of this property, are the principal figures in the International Mining which operates largely as a private enterprise.

Illinois-Alberta Oil Shareholders Get Nothing

Liquidators of the new Illinois Alberta Oils have declared the company defunct and the shareholders will receive nothing out of the reorganization which took place about a year ago when the present company was formed to succeed the Illinois-Alberta Oils Inc., in 1923. The company had one producing well which was the outgrowth of operations started in 1914. Revenue, however, was not sufficient to avert bankruptcy.

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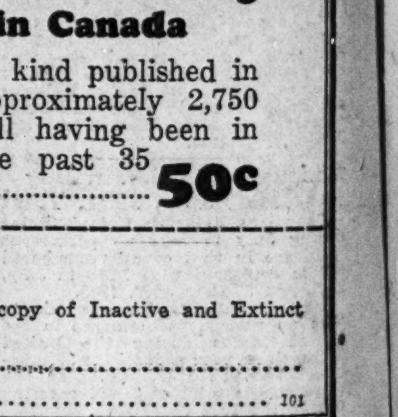

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